

4408. Also, resolution of the Wayne County Board of Supervisors, representing a county-wide population of approximately 2,165,468, including the city of Detroit, requesting the immediate enactment of mustering-out legislation; to the Committee on Military Affairs.

4409. Also, resolution of the delegates representing the American Legion Post of the Department of Michigan, recommending that aviation bills, H. R. 3420 and H. R. 3421, and all other legislation affecting civil aviation now pending in Congress be held in abeyance until the termination of the present war and for a period of 6 months thereafter; to the Committee on Interstate and Foreign Commerce.

4410. By Mrs. SMITH of Maine: Petition of Frank Bernier, of Auburn, Maine, and other citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4411. Also, petition of Ruby Dorgen, of Auburn, Maine, and other citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4412. Also, petition of Aldouin Houle, of Lewiston, Maine, and other citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4413. Also, petition of Thomas Buton, of Auburn, Maine, and other citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4414. Also, petition of Arthur A. Bembe, of Lewiston, Maine, and other citizens, protesting against consideration by Congress of the Bryson bill, H. R. 2082, which would impose complete prohibition for the duration of the war; to the Committee on the Judiciary.

4415. By Mr. MERRITT: Resolution of the Women's National Democratic Club, Inc., of New York, endorsing the equal-rights amendment to the Constitution which would guarantee to women equal rights with men under the law; to the Committee on the Judiciary.

4416. Also, resolution of the Allied Civic Associations of Forest Hills, N. Y., that present-day activities of the black market whereby hijackers and racketeers are profiting at the expense of the people of this Nation on the necessities of life, it is necessary that Congress awaken and produce the evidence of these violations and prosecute the guilty violators of our laws; to the Committee on Military Affairs.

4417. Also, resolution of the Queens County Civic Councils, Inc., of New York, that this organization opposes any increase in the immigration quota and recommends that 6 months after the war all refugees be returned to their respective countries; also opposing any form of prohibition and the return of bootlegging and racketeering; recommending that all service men and women having served at least 6 months in the armed forces of the United States receive 1 year's advanced pay on his or her honorable discharge; and that this organization recommends the soldiers' vote, provided it is conducted by the States; to the Committee on Military Affairs.

4418. By Mr. SCHIFFLER: Petition of Mrs. William T. Parsons and other citizens of Chester, W. Va., urging the passage of House bill 2082; to the Committee on the Judiciary.

4419. By Mr. JONKMAN: Petition of 100 residents of the Fifth District of Michigan opposing House bill 2082; to the Committee on the Judiciary.

4420. By the SPEAKER: Petition of the Jewish Community Council of Houston, Tex.,

petitioning consideration of their resolution with reference to the withdrawal of the Palestine White Paper of May 1939; to the Committee on Foreign Affairs.

4421. Also, petition of the vice president of the Cortlandt Democratic Club, Croton on Hudson, N. Y., petitioning consideration of their resolution with reference to President Roosevelt's five-point program; to the Committee on Ways and Means.

4422. Also, petition of the chief clerk of the City Council of Baltimore, Baltimore, Md., petitioning consideration of their resolution with reference to the soldier vote bill; to the Committee on Election of President, Vice President, and Representatives in Congress.

4423. Also, petition of sundry citizens of New York, N. Y., American Youth for Democracy, petitioning consideration of their resolution with reference to the Green-Lucas bill; to the Committee on Election of President, Vice President, and Representatives in Congress.

4424. Also, petition of the Missouri Pension Society, St. Joseph, Mo., petitioning consideration of their resolution with reference to old-age pensions; to the Committee on Ways and Means.

4425. Also, petition of the Fresno Labor Council, Fresno, Calif., petitioning consideration of their resolution with reference to the Green-Lucas voting bill; to the Committee on Election of President, Vice President, and Representatives in Congress.

4426. Also, petition of the Phoenix Chamber of Commerce, Phoenix, Ariz., petitioning consideration of their resolution with reference to world-wide aviation; to the Committee on Interstate and Foreign Commerce.

## SENATE

THURSDAY, JANUARY 20, 1944

(Legislative day of Tuesday, January 11, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. Fred S. Buschmeyer, pastor of the Mount Pleasant Congregational Church, Washington, D. C., offered the following prayer:

Almighty and eternal Creator, whose endless beginnings are the hope of our hearts and the solace of our souls, we thank Thee for the pattern of ceaseless creative endeavor which Thou hast set before us. Thou, who didst stand behind creation's dawn, and at whose holy bidding the ancient stars didst assume their courses, dost still stand behind the dawn of each new day, and dost still work with recreating power throughout all this living universe, our home.

Though Thy creative hand was old in practice when our Nation was born, still we feel the freshness and the power of Thy touch upon our lives in these later years, and our hope for the future still rests in Thy leadings.

Out of confusion and failure and disaster Thou art ever creating new possibilities of life and growth and noble achievement. We thank Thee that by Thy grace the marching days and the sequent seasons bring to us fresh chances to build upon our own efforts of the past, to correct the errors of our yesterdays, and to redeem the lost opportunities of receding years.

Grant to us with each new day a consciousness of the holy heritage Thou hast

visited upon us, that as the children of Thy spirit we, too, may make each day a drama of creative power, of fresh beginnings, in companionship with Thee. In humility and in hope, we pray. Amen.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, January 19, 1944, was dispensed with, and the Journal was approved.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 108) making an appropriation for contingent expenses of the Senate.

The message also announced that the House had passed the bill (S. 1543) to provide for mustering-out payments to members of the armed forces, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3741) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

### ATTITUDE OF WAR SHIPPING ADMINISTRATION ON AMENDMENT TO REVENUE BILL—CORRECTION

Mr. GEORGE. Mr. President, at page 197 of the CONGRESSIONAL RECORD of January 14, 1944, in connection with an amendment which was offered, it was stated by the chairman of the Committee on Finance, reading from a memorandum which had been given to him, that the amendment was recommended by the War Shipping Administration, and so forth. Admiral Land, the Administrator of the War Shipping Administration, has addressed to me a letter in which he says the War Shipping Administration had no objection to the amendment and so advised the Treasury, but that they had not asked for the amendment, following their policy of noninterference in tax matters. In order that the matter may be clearly understood, I ask to have Admiral Land's letter inserted in the CONGRESSIONAL RECORD. I regret the fact that the memorandum stated that the amendment had been asked for by the War Shipping Administration, but it appears that that organization had no objection to the amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WAR SHIPPING ADMINISTRATION,  
Washington, January 18, 1944.  
The Honorable WALTER F. GEORGE,  
United States Senate.

MY DEAR SENATOR GEORGE: At page 197 of the CONGRESSIONAL RECORD of January 14, 1944, you are reported as having stated:

"The War Shipping Administration asked for an amendment exempting from the tax imposed on the transportation of property

by section 3475 of the Internal Revenue Code, amounts paid to or by the War Shipping Administration for the transportation of property by water from one point in the United States to another, except between points on the Great Lakes."

Under the amendment to which you referred, amounts paid by or to the War Shipping Administration for the transportation of property by water from one point in the United States to another would be exempt from the Federal transportation tax.

It is our policy in tax matters to suggest amendments to the tax law only when existing practices unduly interfere with the effective prosecution of the duties of the War Shipping Administration in the war effort. In all other cases we prefer to leave matters of tax policy to those branches of the Federal Government charged with responsibility therefor.

In line with this policy we did not ask for the amendment. We did, however, state to the Treasury Department that the War Shipping Administration had no objection to an amendment which would substantially restore the situation as it existed prior to December 1, 1943, when payments of transportation charges by or to the War Shipping Administration were exempt from the transportation tax. We also advised the Treasury that the language of the proposed amendment would, in our opinion, accomplish that objective.

It is our understanding that the amendment was suggested by certain shippers who felt that the result of the taxes as applied to those interests was unfair and inequitable. We at no time had any communication with any committee of Congress or any Member thereof regarding this suggestion. Our participation was limited merely to informal advice to the Treasury Department that we would have no objection to the suggested amendment if they felt it was otherwise desirable. Obviously, we could not take an affirmative position on a revenue matter in which we had no real interest.

We know that you would want to have before you a statement of the position of the War Shipping Administration with respect to our policy on tax legislation and the proposed amendment.

Sincerely yours,

E. S. LAND,  
Administrator.

#### CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Radcliffe
Andrews	Guffey	Reed
Austin	Gurney	Revercomb
Bailey	Hatch	Reynolds
Bankhead	Hawkes	Robertson
Barkley	Hayden	Russell
Bilbo	Holman	Shipstead
Bone	Johnson, Colo.	Stewart
Bridges	Kilgore	Taft
Buck	La Follette	Thomas, Idaho
Burton	Langer	Thomas, Okla.
Bushfield	Lodge	Thomas, Utah
Butler	Lucas	Tobey
Byrd	McCarran	Truman
Capper	McClellan	Tunnell
Caraway	McFarland	Tydings
Chavez	McKellar	Vandenberg
Clark, Mo.	Maloney	Van Nuys
Connally	Maybank	Wagner
Danaher	Mead	Wallgren
Davis	Millikin	Walsh, Mass.
Downey	Moore	Walsh, N. J.
Eastland	Murdock	Wheeler
Ellender	Murray	White
Ferguson	Nye	Wiley
George	O'Daniel	Willis
Gerry	O'Mahoney	
Gillette	Overton	

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from Kentucky [Mr. CHANDLER], the Senator from Idaho [Mr. CLARK], and the Senator from South Carolina [Mr. SMITH] are necessarily absent.

The Senator from Nevada [Mr. SCRUGHAM] is absent on official business.

The Senator from Alabama [Mr. HILL] is detained on public business.

The Senator from Florida [Mr. PEPPER] is absent because of a slight cold.

Mr. WHITE. The Senator from Oregon [Mr. McNARY] and the Senator from Iowa [Mr. WILSON] are absent because of illness.

The Senator from Illinois [Mr. BROOKS] is absent on official business.

The Senator from Minnesota [Mr. BALL] and the Senator from Maine [Mr. BREWSTER] are necessarily absent.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

#### BOARD OF VISITORS TO THE NAVAL ACADEMY

The VICE PRESIDENT, pursuant to law, appointed Mr. THOMAS of Oklahoma, Mr. LUCAS, Mr. WALSH of New Jersey, and Mr. BROOKS as members on the part of the Senate of the Board of Visitors to the Naval Academy.

#### RELIEF OF VETERANS' ADMINISTRATION EMPLOYEES FROM LIABILITY FOR OVERPAYMENTS

The VICE PRESIDENT laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, Chief Disbursing Officer (with accompanying papers) which was referred to the Committee on Claims.

#### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Board of Supervisors of Ottawa County, Mich., requesting that action on House bill 3420, affecting air commerce, and similar proposed legislation be deferred until after the termination of the present war; to the Committee on Commerce.

A resolution of the Common Council of the City of Milwaukee, Wis., favoring the enactment of legislation enabling all members of the armed forces who are residents of Wisconsin to cast their votes for the selection of representatives in the Government; to the Committee on Privileges and Elections.

By Mr. CAPPER:

A petition, numerous signed, of sundry citizens of Atchison, Kans., praying for the enactment of Senate bill 860, relating to the sale of alcoholic liquors to the members of the land and naval forces of the United States; to the Committee on Military Affairs.

#### PROHIBITION OF LIQUOR TRAFFIC DURING THE WAR—MEMORIALS FROM WISCONSIN

Mr. LA FOLLETTE. I ask unanimous consent to present memorials signed by

citizens of Wisconsin remonstrating against the enactment of any prohibition legislation. I ask that the heading of one of the memorials may be printed in the Record and that the memorials be referred to the Committee on the Judiciary.

There being no objection, the memorials were received, referred to the Committee on the Judiciary and the heading of one of the memorials was ordered to be printed in the Record, as follows:

WISCONSIN STATE COUNCIL OF BREWERY AND SOFT-DRINK WORKERS PROTEST AGAINST THE ENACTMENT OF ANY AND ALL PROHIBITION LEGISLATION—OPPOSED TO PROHIBITION OR THE PASSAGE OF ANY LAW THAT WILL INTERFERE WITH THE PERSONAL LIBERTY OR ECONOMIC WELFARE OF THE WORKING CLASS

Whereas the professional prohibition organizations are attempting to force the consideration and passage of House bill 2082, known as the Bryson bill, which would impose complete prohibition for the duration of the war; and

Whereas these same prohibitionists are also sponsoring legislation which would bring back prohibition by banning the sale of beer to our fighting forces in and near military camps, as well as to civilians in zones around such camps; and

Whereas the object of all such legislation is to reestablish complete national prohibition in the United States during the absence from their homes of more than 8,000,000 citizens in the military service of their country; and

Whereas any such legislation is opposed by the War and Navy Departments as well as by the great majority of our soldiers, sailors, marines, and civilians; and

Whereas national prohibition, during a test of 13 years from 1920 to 1933, brought upon the Nation the uncontrollable evils of the speak-easy and the bootlegger, the degradation of teen-age girls and boys, nationwide home manufacture of illegal liquor, widespread vicious crime, official corruption, and disrespect for law—all of which so outraged public decency that the eighteenth amendment was repealed by a majority of 10,000,000 votes; and

Whereas the enactment of any such legislation would completely destroy all legalized control and cause the loss of Federal revenues of more than \$1,500,000,000 a year and local revenues of \$500,000,000 a year without any compensating benefits to either State or Nation; and

Therefore we, the undersigned citizens of the United States, protest against the consideration of any and all prohibition measures by Congress and herewith request our Senators and Representatives to vote against any and all such proposed legislation. We further respectfully request that this petition be referred to the proper committees and listed in the CONGRESSIONAL RECORD.

#### EXCHANGE AND COLLECTION COSTS BETWEEN BANKS—RESOLUTION OF SOUTH CAROLINA BOARD OF BANK CONTROL

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the body of the Record and appropriately referred a resolution adopted by the Board of Bank Control of the State of South Carolina, which shows the serious trouble that will come to many of our small banks unless the interpretation of regulation Q of the Federal Reserve System is revoked.

There being no objection, the resolution was referred to the Committee on



Banking and Currency and ordered to be printed in the RECORD, as follows:

Whereas the recent interpretation by the Board of Governors of the Federal Reserve System of regulation Q will materially affect the present well-ordered operation of the banking institutions in South Carolina: Now, therefore, be it

*Resolved*, That it is the sense of this Board that the Congress should immediately take the necessary action to return the matter of exchange and collection costs between banks to the status existing before the present interpretation of the Federal Reserve Board became effective; and further,

That a copy of this resolution be forwarded to the Banking and Currency Committee of the Congress.

#### CONTINUATION OF COMMODITY CREDIT CORPORATION—AMENDMENT

Mr. MALONEY submitted an amendment intended to be proposed by him to the bill (H. R. 3477) to continue the Commodity Credit Corporation as an agency of the United States, to revise the basis of annual appraisal of its assets, and for other purposes, which was ordered to lie on the table and to be printed.

#### AMENDMENT TO THE REVENUE ACT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (H. R. 3687) to provide revenue, and for other purposes, which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Amendments intended to be proposed by Mr. McCARRAN to the bill (H. R. 3687) to provide revenue, and for other purposes, viz:

On page 38, line 4, insert the following:

"(y) (2) Deferred maintenance deduction—carriers: The deduction for deferred maintenance provided in section 128 (B)."

On page 67, line 1, insert the following new section:

"SEC. —. Chapter 1 is amended by inserting after section 128 the following new section:

"SEC. 128 (B). (a) Deferred maintenance deduction—carriers: In computing the net income of any carrier subject to the Interstate Commerce Act, there shall be allowed as a deduction, in addition to deductions otherwise provided for in this chapter, the amount which such carrier shall, pursuant to authorization of the Interstate Commerce Commission, accrue in its maintenance reserve account to provide for the cost of maintenance and repairs which it is unable to undertake or complete in any taxable year beginning after December 31, 1942: *Provided*, That United States Treasury securities shall be set aside and held by the taxpayer in a face amount at all times not less than the balance in said maintenance reserve account: *Provided further*, That expenditures subsequently made on account of any maintenance or repairs for which accruals have been made in said reserve account shall be charged against said account and shall not be deductible in the determination of net income, except to the extent provided in subsection (b) hereof.

"(b) The deduction provided in subsection (a) of this section may be taken in any taxable year beginning after December 31, 1942, but may not be taken in any taxable year beginning after December 31 in the year in which the President shall issue his proclamation declaring the war to be at an end. Any amount remaining in the maintenance reserve account on December 31 of the fifth year following the year in which the President shall issue his proclamation as aforesaid shall be included in the gross income of the taxpayer in the 5th year following the

issuance of such proclamation and shall be taxed at the rate or rates applicable to the last year or years in which an equivalent amount of deduction was allowed, with interest at the rate or rates borne by the Treasury securities remaining in the taxpayer's treasury. Upon inclusion of such remaining amount in its gross income, any expenditures subsequently made on account of deferred maintenance and repairs shall be deductible under section 23 (a), and the taxpayer shall be relieved of any further obligation to hold Treasury securities under the provisions of paragraph (a) of this section."

#### HEARINGS BEFORE COMMITTEE ON BANKING AND CURRENCY—LIMIT OF EXPENDITURES

Mr. WAGNER submitted the following resolution (S. Res. 240), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the amount authorized to be expended by the Committee on Banking and Currency, pursuant to Senate Resolution 42, agreed to January 18, 1943, is hereby increased by \$12,000.

#### ADDITIONAL COPIES OF HEARINGS BEFORE SUBCOMMITTEE ON CONTRACT TERMINATION OF MILITARY AFFAIRS COMMITTEE

Mr. MURRAY submitted the following resolution (S. Res. 241), which was referred to the Committee on Printing:

*Resolved*, That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Subcommittee on Contract Termination of the Committee on Military Affairs be, and is hereby, authorized and empowered to have printed for its use 2,000 additional copies of the hearings held before said subcommittee during the first session, on S. 1268, a bill to facilitate the termination of war contracts; S. 1280, a bill to provide authority to the Secretary of War to use funds now or hereafter appropriated for adjustment of contracts, and for other purposes; and Senate Joint Resolution 80, a joint resolution to prohibit the use of cost-plus-a-fixed-fee system of contracting in connection with war contracts.

#### JACKSON DAY DINNER ADDRESS BY SENATOR LUCAS

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD a Jackson Day dinner address delivered by Senator Lucas at a meeting of Democrats of Sangamon County, Ill., which appears in the Appendix.]

#### ADDRESS BY SENATOR LUCAS BEFORE NATIONAL FOOD AND VEGETABLE GROWERS' ASSOCIATION

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an address delivered by him before the National Food and Vegetable Growers' Association, at Chicago, Ill., on January 18, 1944, which appears in the Appendix.]

#### PRODUCTION FOR WAR—ADDRESS BY DONALD M. NELSON

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an address delivered by Donald M. Nelson at a dinner given in his honor on the occasion of the second anniversary of the War Production Board, Washington, D. C., January 17, 1944, which appears in the Appendix.]

#### OVERCOMING OF GROUP ANIMOSITIES—DISCUSSION ON AMERICAN FORUM OF THE AIR

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a discussion on the American Forum of the Air entitled "How Can We Overcome Group Animosi-

ties?" on January 11, 1944, which appears in the Appendix.]

#### SUBSIDIES SAFEGUARD AGAINST INFLATION—LETTER OF HERBERT M. SINGER

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a letter written by Herbert M. Singer, published in the Corpus Christi (Tex.) Caller, in the issue of November 1, 1944, under the heading, "Subsidies Called Practical Safeguard Against Inflation," which appears in the Appendix.]

#### OLEOMARGARINE — EDITORIAL FROM WASHINGTON POST

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "Oleomargarine," published in the Washington Post of January 20, 1944, which appears in the Appendix.]

#### AMERICAN AVIATORS OVER GREECE—INTERVIEW WITH LT. FRANK D. BUEHL

[Mr. STEWART asked and obtained leave to have printed in the RECORD an article by James J. Kay, from the National Herald, a Greek newspaper of New York, issue of December 26, 1943, containing an interview with Lt. Frank D. Buehl, which appears in the Appendix.]

#### THE POLISH BOUNDARY QUESTION—EDITORIAL AND NEWS DISPATCH

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "Polish-Russian Realities," published in the Washington Star of January 19, 1944, and an Associated Press dispatch from Baltimore, dated January 19, entitled "Monsignor Sheen Views Poland as Moral Test," which appear in the Appendix.]

#### VISIT TO THE SENATE BY HIS EXCELLENCY, GEN. ISAIAS MEDINA ANGARITA, PRESIDENT OF VENEZUELA

Mr. BARKLEY. Mr. President, as I announced yesterday afternoon, at a quarter past 12 today we are to be visited by the President of Venezuela, who will deliver a brief address. I therefore ask unanimous consent that the Vice President appoint a committee of four Members of the Senate to escort the President of Venezuela into the Chamber, and that thereafter, until the ceremonies shall be concluded, the Senate stand in recess subject to the call of the Chair.

The VICE PRESIDENT. Without objection, it is so ordered. The Chair appoints the Senator from Kentucky [Mr. BARKLEY], the Senator from Maine [Mr. WHITE], the Senator from Texas [Mr. CONNALLY], and the Senator from Minnesota [Mr. SHIPSTEAD], as the committee to greet the President of Venezuela and escort him into the Chamber.

Pursuant to the unanimous-consent agreement, the Senate will now stand in recess, subject to the call of the Chair.

The Senate being in recess, at 12 o'clock and 15 minutes p. m.,

His Excellency, Gen. Isaias Medina Angarita, President of Venezuela, escorted by the committee appointed by the Vice President, consisting of Mr. BARKLEY, Mr. WHITE, Mr. CONNALLY, and Mr. SHIPSTEAD, preceded by the Secretary of the Senate, Edwin A. Halsey, and the Sergeant at Arms, Wall Doxey, entered the Chamber and took the place assigned him on the rostrum in front of the Vice President's desk.

The members of the party accompanying the President of Venezuela, including Señor Don Rodolfo Rojas, Minister of

the Treasury; Señor Dr. Manuel Silveira, Minister of Public Works; Señor Dr. Gustavo Manrique-Pacanins, Attorney General; Commander Antonio Picardi, Chief of the Naval Division of the Ministry of War and Navy; Señor Don Eugenio Mendoza, former Minister of National Development; Señor Dr. Manuel Pérez-Guerrero, Acting Secretary to the President; Col. Alfredo Jurado, Aide to the President; Ensign Elio Quintero-Medina, Aide to the President; His Excellency Señor Dr. Don Diógenes Escalante, Ambassador of Venezuela to the United States; Hon. Frank P. Corrigan, American Ambassador to Venezuela; Brig. Gen. Norman Randolph, United States Army, military aide; Capt. Henry T. Richter, United States Navy, naval aide; Mr. Stanley Woodward, Department of State; Col. Nicholas H. E. Campanole, United States Army; Mr. M. Hamilton Osborne, special agent, Department of State, entered the Chamber, and were escorted to the seats assigned them to the left of the Vice President's desk.

The VICE PRESIDENT. Members of the Senate, ladies and gentlemen, the President of Venezuela.

[Applause, Senators and occupants of the galleries rising.]

ADDRESS BY THE PRESIDENT OF  
VENEZUELA

Señor Presidente, Señoras y Señores, llego a esta tribuna preclara, penetrado del hondo sentimiento de la unidad americana, a traer en mi voz de ciudadano de América, el saludo fraternal de un pueblo que se enorgullece de haber contribuido, tanto como el que más, con sangre, pensamiento y sacrificio, a la forja de los principios y de las realidades sobre los que se asienta la solidaridad continental. Yo os traigo el saludo muy cordial que os envía un pueblo que entiende y comparte vuestras aspiraciones; que ha luchado por ellas y que está dispuesto a sostener ideales y principios que nos son comunes.

Llego ante vosotros como el jefe legítimo de la democracia venezolana, de un país pequeño todavía por su población y su desarrollo, pero grande por su extensión, por la magnitud de sus recursos materiales, por la altura de sus principios y por su incomparable aporte a la historia de América. La Patria de Simón Bolívar vive hoy una de las épocas más interesantes de su vida. Estamos construyendo nuestro porvenir y recuperando el tiempo perdido con una velocidad y en una forma que inspiran fe y provocan entusiasmo; y estamos haciéndolo manteniendo, en todo su esplendor, las instituciones que garantizan la libertad y la dignidad del hombre y la justicia como norma en las relaciones de la vida social y económica, porque nuestro ideal democrático no se limita a las palabras y no consiste en una mera fachada, más o menos compuesta para impresionar la opinión exterior, sino que consiste en hechos, en realidades, en la forma y en la substancia de la vida de un pueblo. Venezuela es un país libre, donde todos los ciudadanos disfrutan de la libertad civil y política y de todas las garantías que pautan las leyes y en el que la soberanía reside en el pueblo y se ejerce por

medio del sufragio en la persona de mandatarios sinceramente representativos. Por eso, cuando el pueblo venezolano o su Gobierno aseguran que luchan por la democracia y que cooperan por el triunfo de la democracia, no hacen sino revelar la verdadera situación de una colectividad de seres humanos que defienden y están dispuestos a defender, no remotos ideales, sino bienes altamente apreciables que constituyen la realidad de todos sus días.

Esos principios, esa profesión de fe, y la vecindad geográfica son las causas determinantes del sentimiento de simpatía que nos une a vosotros. Miramos en esta augusta asamblea el monumento vivo y fecundo a la voluntad de un pueblo que implantó en la historia el Gobierno democrático y representativo. Vuestro ejemplo inspiró a los grandes hombres que, con su heroico esfuerzo, construyeron nuestras Patrias. La causa de la justicia halló siempre voz robusta en vuestro seno, y todavía resuena en la memoria inmarchitable de nuestra gratitud la noble voz de Henry Clay abogando por la independencia de nuestras Repúblicas americanas.

Los nobles principios que tienen su altar en esta casa, que es el corazón de un gran pueblo, no han de sufrir eclipse, ni mengua. Por eso venimos confiados, sin recelo de la desproporción de nuestras fuerzas. Aspiramos a vivir en un mundo regido por la justicia y por el derecho, ofreciéndonos mutua ayuda, mutuo respeto y mutua confianza. A la sombra benéfica de esos principios, que es la sombra misma del gran árbol de la solidaridad americana, viene ante vosotros, con toda lealtad y firmeza, la ratificación de la amistad fraternal de Venezuela. Ni queremos ser engañados ni engañamos. Con buena fe entera servimos la causa de la democracia y de la justicia que sabemos es, también, la vuestra. No tenemos segundas intenciones. Ni en el pasado ni en el presente hemos hecho negocio con nuestros ideales, y podemos afirmar que nuestra adhesión y nuestra amistad no llevan sombra de interés mezquino. Nunca hemos pedido nada; nunca hemos aceptado nada que no hayamos pagado íntegramente y nuestra amistad, por el contrario, se traduce en inmensa ayuda material para la causa por la cual vuestros hijos ofrecen sus vidas. Por eso es sólido la base sobre la cual nos acercamos y es firme la mano de amigo que os tendemos.

Nada tiene de extraño que, amigos de ayer, seamos amigos de hoy, ya que la misma igualdad de ideales que teníamos en el pasado existe en el presente, y que las únicas cuentas pendientes entre nuestros dos países son las que derivan de la caballería, de las nobles acciones, de la rectitud de intención en nuestro trato internacional. Nuestra actitud de hoy es la misma de siempre. Por eso, desde el primer momento del criminal ataque de Pearl Harbor, nos colocamos a vuestro lado. La causa que defendéis es causa común de los pueblos democráticos. Además de las potencias de ultramar, os acompañan, por convicción, por su propio interés, por la defensa de su tradición y por su

libertad futura, las Repúblicas del Hemisferio, que de ese modo cumplen la palabra que voluntariamente dieron ayer, cuando aun no se sabía contra qué iría dirigida la primera agresión continental. Si Venezuela se situó sin vacilaciones a vuestro lado, no fué para ofreceros solamente el muy valioso apoyo moral de un pueblo independiente, sino para contribuir también de manera efectiva al esfuerzo bélico colectivo y para compartir con vosotros los padecimientos que, en mayor o menor grado, necesariamente han de afectarnos. Os hemos dado y os damos hoy todo lo que podemos. Las materias primas y artículos de primera necesidad disponibles, están a la orden de las Naciones Unidas. Nuestro petróleo, afortunadamente abundante, ha ido y seguirá yendo hasta los campos de batalla, del lado de las democracias. Además de nuestra ayuda material, cooperamos con vosotros en el estudio y realización coordinada de muchos otros proyectos y problemas comunes, y nuestra contribución en el período de la reconstrucción de posguerra será tan amplia y efectiva como nos lo permitan nuestros medios, pues comprendemos que en ello va la libertad de todos, la seguridad futura y el progreso y la supervivencia de la vida libre que soñaron los gloriosos fundadores de nuestras naciones. Mi Gobierno ha estudiado con el mayor interés cuanto se refiere a nuestra participación en la causa de todos, y estamos convencidos de que nuestra posición y actitud de hoy nos permitirán todo cuanto pueden las fuerzas del país.

De Simón Bolívar hemos heredado la conciencia de la unidad de América, fortalecida por el hecho inquebrantable de la geografía y por la comunidad de intereses y de ideales. Los tiempos presentes nos atraen aún a mayor acercamiento y podéis estar seguros de que es el pueblo todo de mi Patria el que hoy, por mi boca, os dice: Venezuela está con vosotros hoy, mañana y siempre, para la causa de la justicia, de la democracia y de la felicidad del hombre.

[Prolonged applause, Senators, distinguished visitors, and occupants of the galleries rising.]

The English translation of the address by the President of Venezuela is as follows:

Mr. President, ladies, and gentlemen, filled with the deep sense of American unity, I come to this most illustrious rostrum to convey to you—with my voice of a citizen of the Americas—the fraternal greetings of a people proud to have contributed as much as any other, with blood, thoughts, and sacrifices, to establish those principles and realities upon which our continental solidarity stands. I bring to you the most cordial greetings from a people who understands and shares your aspirations, who has fought for them, and is ready to support those principles and ideals common to both of us.

I come to you as the head of the Venezuelan democracy, of a country still small in population and development, but large in territory, rich in material resources, great in the loftiness of its prin-



ciples and in its matchless contribution to the history of America. The fatherland of Simon Bolivar is living today one of the most interesting moments of its life. We are now building our future and making up for lost time at such a rate and in such a way as to inspire confidence and arouse enthusiasm; and we are doing it while preserving in all their splendor the institutions that guarantee the freedom and the dignity of man and justice as the standard of social and economic life, for our democratic ideal is not limited to words and is not a mere front shaped more or less to impress foreign opinion, but consists of the facts, the realities, the form, and substance of the actual life of a people. Venezuela is a free country where every citizen enjoys civil and political liberty and all the guaranties within the law, and where sovereignty resides in the people and is carried out through suffrage by truly representative mandatories. And so, when the people of Venezuela or its Government state that they are fighting for democracy and cooperating in the victory of democracy, they do nothing else than disclose the real position of a collectivity of human beings who are defending and are ready to defend, not remote ideals, but highly prized possessions which are the reality of their everyday life.

Those principles, that creed, and the geographic vicinity are the determining reasons for the sympathetic feeling that binds us to you. In this august assembly we see the living and fruitful monument to the will of the people who implanted in the history the representative and democratic Government. Your example inspired the great men who, with their heroic efforts, built our countries. The cause of justice always found vigorous voices among you, and in the unwithering memory of our gratitude the voice of Henry Clay still resounds pleading for the recognition of our American Republics.

No waning and no detriment shall the noble principles suffer that have an altar in this House which is the heart of a great Nation. And that is why we come confident, unperturbed by the disparity of our respective powers. We long to live in a world ruled by justice and law, where we can offer reciprocal help, reciprocal respect, and reciprocal trust. Under the beneficent protection of those principles, which are the very shelter of the magnificent tree of American solidarity, comes to you today, firm and loyal, the ratification of Venezuela's fraternal friendship. We do not want to be deceived, nor do we want to deceive. In full good faith we serve the cause of democracy and justice which we know is also your cause. We have no concealed intentions. Neither in the past nor in the present have we ever traded with our ideals, and we can state that our adherence and our friendship bear not the slightest shade of a mean interest. We have never asked for anything; we have never accepted anything which we have not fully paid for, and our friendship, on the contrary, brings a considerable material help to the cause for which your own children are offering their lives.

That is why the foundations upon which we approach you are solid and the friendly hand that we stretch out to you is firm.

No wonder that, friends of the past, we are friends of today, for the identity of the ideals that we shared in the past still exist in the present, and the only debts pending between our two countries are those that spring from chivalry, noble deeds, and the fair intentions of our international deals. Our attitude today is the same it ever was. Consequently, from the very moment of the criminal attack on Pearl Harbor, we were at your side. The cause you fight for is the common cause of all democratic peoples. In addition to the powers beyond the seas, the republics of this hemisphere are with you, because of their convictions, because of their own interests, because of the defense of their traditions and their future liberty, and in this way they keep their word, given out of their own free will, at a time when nobody knew against whom the first continental aggression would be directed. If Venezuela took your part without hesitation, it certainly was not to offer only the very valuable moral support of an independent people, but also to contribute in an effective way to the collective war effort and to share with you the sufferings and difficulties that, in a greater or lesser degree, necessarily were to be our lot. We have given, and are now giving to you, all we can. Our available raw materials and articles of primary importance are at the command of the United Nations. Our oil, luckily abundant, has reached and will continue to reach the battlefields on the side of the democracies. In addition to our material help, we cooperate with you in the study and coordinated fulfillment of many other common purposes and problems, and our contribution during the recovery period, when the war is over, will be as large and effective as our means may allow, because we realize that in it goes liberty for all, future security, and survival and development of that free life which was the dream of the glorious founders of our nations. My Government has studied with great interest everything that has a bearing on our participation in the common cause, and we are convinced that our attitude and position of today freely permits us to give all that our country's energies are capable of giving.

From Simon Bolivar we inherited the consciousness of American unity, strengthened by the immutable geographic reality and by our common interests and ideals. The present emergency is bringing us even closer together, and you may be sure that it is the whole people of my country who, through me, say to you now: Venezuela is with you today, tomorrow, and always, for the sake of justice, for the sake of democracy, for the sake of man's happiness.

Following his address, the President of Venezuela and the distinguished visitors accompanying him were escorted from the Chamber.

At 12 o'clock and 27 minutes p. m. the Senate reassembled, when called to order by the Presiding Officer [Mr. RUSSELL in the chair].

#### EXPENDITURES AND ACTIVITIES OF THE UNITED STATES IN LATIN AMERICA

Mr. BUTLER. Mr. President, we have just been honored with a personal visit and message from the distinguished President of Venezuela, General Medina. General Medina is the second President from among our good neighbors to the south who has visited and spoken to us since my return last September from a trip through Latin America. It is indeed a great privilege and an honor to receive these distinguished visitors, and it is my hope that we may in time have heard in person from the President of each of the 20 Latin-American countries.

I first met our distinguished visitor, General Medina, on his arrival at the airport in La Paz, where hundreds of prominent persons had gathered to greet him as a welcome visitor to Bolivia. I was deeply impressed with the pomp and ceremony of the occasion, the booming of the official salute, the roar of American planes flown by native pilots. I was impressed with the genuine sincerity apparent in everything.

At La Paz, President Medina was completing his official visits to the neighboring governments in South America, as an example of genuine friendship and good neighborliness. In the same spirit he is our guest today. I, for one, not only welcome him, but I hope his reception in the United States will be as genuinely friendly as was his reception when he visited his close neighbors in South America. I believe it will be.

Venezuela is making a great contribution to our war effort. Last year it averaged an output of about 500,000 barrels of oil a day. When I was there in early September, I learned it was planned to boost the output to an even million barrels a day.

In my further remarks at this time, made in reply to those who have criticized me for my report on Latin American affairs, I ask that Senators realize that my personal attitude toward every Latin American country is as genuinely friendly as the feeling I have indicated toward Venezuela. I want us to merit their friendship and cooperation, and I hope that we merit the same from each of them.

As further evidence of my sincere desire to be a genuine friend of our Latin American neighbors, I ask unanimous consent that at this point in the RECORD an article appearing in the February issue of the Reader's Digest be inserted in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### THEY ARE STILL DEEP, DARK SECRETS

(By HUGH BUTLER, United States Senator from Nebraska)

(An advance copy of the article by Senator BUTLER which appeared in the December Reader's Digest was submitted to Nelson Rockefeller, Coordinator of Inter-American Affairs. He was invited to defend the practices of the good-neighbor policy, as pointed out by Senator BUTLER.)

Unforeseen circumstances prevented Mr. Rockefeller from completing his article for the January issue, as planned. Later, Mr. Rockefeller requested that his article be withheld from publication in deference to the

statement released to the newspapers by Mr. Cordell Hull, eloquently supporting the good-neighbor policy.

Like Mr. Hull, the Reader's Digest believes in that policy. The point at issue, however, is whether the huge nonwar outlays by the United States in Central and South America are now promoting hemispheric solidarity and good will.—*The Editors.*

In the United States the principle of the good-neighbor policy for the increase of good will and cooperation between ourselves and Latin America is above partisanship and beyond debate. Both Republicans and Democrats give it enthusiastic support.

But the fact that we endorse the good-neighbor principle does not mean that we must give blank-check endorsement to all the methods that have been used in seeking to carry it out.

In an article in the December issue of the Reader's Digest, after recounting evidence of United States bungling, boondoggling, and extravagance in Latin America, I wrote: "The answer to all this is not to scrap the good-neighbor policy. The answer is to make it authentically good neighbor." Despite this explicit statement, spokesmen for our present methods have sought to make it appear that these exposures are an attempt to injure the good-neighbor policy. The issue, I repeat, is not the good-neighbor policy; it is the vast welter of dubious, unnecessary, and wasteful projects which, under cover of that policy, we have undertaken—undertaken very largely without the knowledge of the American people.

I repeat that the soundest friends of the good-neighbor policy are those who insist that we should bring those projects into the open for public appraisal.

The need for such appraisal is not merely my personal opinion. It is important to remember that my conclusions reflect the composite judgment of a score of experienced, on-the-job United States diplomats with whom I talked, veteran representatives of United States agencies long established in Latin America, as well as independent journalists and businessmen.

Recently a subcommittee of the Military Affairs Committee of the United States House of Representatives went to Latin America. Chairman of that subcommittee was MATTHEW J. MERRITT, a Democrat. Three of its five members were Democrats. Their chief purpose was to inspect our military bases in Latin America. But when they returned, early in December, they issued a statement to which every Member, Democrat as well as Republican, subscribed.

After recognizing the unchallenged benefits of the good-neighbor policy this statement warned us that "the expenditures of huge funds by the Americans is an everyday occurrence which no longer has a salutary effect."

A not inconsiderable part of this expenditure, the statement made clear, is unnecessary and harmful. In particular, our inexcusably high wage scales are upsetting the local economies and creating ill will. "In every instance known to the committee," the report declares, "these wage scales are much higher than the native wages. Since there was little competing employment in any of these areas, the additional incentive was not required to obtain workers. As a result of these higher wage scales, misunderstanding and resentment have been created among the local people and unrest and jealousies among the workers."

Bungling and waste—much of it due to the many United States agencies vying with each other for a place in the spending sun—are apparent. "It is necessary," says this nonpartisan statement, "to report criticism of Federal agencies which, in nearly every country, appear to get under each other's feet in the scramble to advance their respective

interests. There is great need for coordination of effort and singleness of purpose."

For this extravagant meddling, the report states, the United States suffers: "Bungling tactics by amateur good-will emissaries who bid against each other have created confusion and injured American standing."

This confirmation of what I saw and the testimony I secured in Latin America are underscored by the reports of Washington correspondents who, under the sponsorship of the United States Government, went to Brazil late last fall to inspect our efforts to get rubber out of the Amazon jungle. Our critical war need for rubber may serve as an excuse for the fact that, in its early stages, this project, as the correspondent of the New York Herald Tribune described it, resembled "a gigantic international boondoggle." Today, according to his report, "it has been whittled down to something like an export edition of W. P. A."

Marquis W. Childs, highly reputable Washington correspondent of the St. Louis Post-Dispatch, wrote that straight from our American diplomats "comes a plain intimation that there are far too many Americans duplicating each other's work and spreading confusion."

"The Brazilian people," he continued, "are polite but they do not conceal the doubts they feel about the presence of so many Americans in their country. They refer to the coming of the North Americans as 'an invasion of friendly paratroopers' and they put an ironic inflection on the word 'friendly.' Here in Rio alone are several thousand American civilians connected with the United States Purchasing Commission, the Office of the Coordinator of Inter-American Affairs, and several other agencies."

No observer can miss this costly, confusing overlapping among United States agencies and the ill effects upon our relationships with Latin America.

A responsible United States official, long identified with Latin American affairs, reported on his recent return that in one city he found seven separate American agencies engaged in what should have been the one-agency business of United States purchasing. He said: "They were all in competition—conflict would be a better word for it—with each other. The consequences were equally bad for the United States pocketbook and the United States reputation."

An American official who has had close-up opportunity to observe our recent spending policies asked me to quote, verbatim, this conclusion he has reached: "Throwing money around the way we do is bad for the people and they resent it. Because we need to buy certain materials in this country is no excuse, as the people see it, for our attempting to come in and operate enterprises for them. They hotly resent the idea that they can't do their operating themselves. The government of this country, and its people, are exceedingly jealous for the maintenance of their national sovereignty. They are highly suspicious of what we may do to it."

The distinguished foreign minister of a country notable for its friendliness to the United States summed it up when he said that United States spending, lending, and giving in some Latin American nations actually exceeds the average per capita income of the people of those countries and that the nonessential expenditures can be eliminated without harm to hemisphericism.

Federal bookkeeping being what it is, only a congressional inquiry, with power to subpoena the records and accounts of dozens of agencies and to examine witnesses under oath, can possibly discover the full total of what we are spending in Latin America. My own further investigation will confirm the assertions made in my article in the December Reader's Digest. This investigation is

continuing under the direction of qualified accountants. Its results will be published.

The final figure for nonwar expenditures, whatever it precisely is, will be an alarming sum to anyone who financial senses are not already benumbed. That we are benumbed may explain why we overlook the fact that the United States alone, among all the governments of the world, has the effrontery to spend money lavishly for the making over of other nations.

Since calling attention to what is happening in Latin America, I have received more than 3,000 letters, of which 90 percent approve my article and report. But more significantly, these letters included several scores from persons with first-hand knowledge of Latin American affairs. More than 93 percent of these people confirm, out of their experience, my findings. The following typical quotations are exclusively from persons with such first-hand knowledge:

"Our neighbors to the south are proud and they resent our charity and our patronizing attitude."

"The reason we are looked upon as 'simple' is because we urge loans and gifts without exacting a quid pro quo. They can understand a bargain, give and take, and respect a bargainer such as England, but they wonder where the joker is with us."

"I agree with you on every point. Throughout South America you'll find all sorts of United States commissions, accomplishing absolutely nothing but throwing away United States money."

"I can confirm what you said about the stupidity of upsetting the whole economic set-up in these countries by paying native labor needlessly excessive wages."

"The Latins are not going to think any more of us for spending money. If they like us, they will like us for our qualities, not our dollars. We cannot buy friendship with money."

"Stay with your investigation in the hope that we can live down being the laughing-stock of South Americans. Fifty percent of our army of inexperienced culture boys in South America should be weeded out now."

"I congratulate you on your courageous exposé of our current dollar diplomacy in Central and South America. Your outline of its potential future repercussions is quite inadequate."

"Our wild spending spree in Latin America will not only result in their thinking us utter damn fools, but it is certain to cause a world of financial difficulties in those countries."

"If the rest of Latin America is like Mexico your report is a bull's-eye."

"There can be no real feeling of friendliness and understanding based on the mania of the planners who think that money is a universal panacea. I am a Latin American from Costa Rica. I have tried to demonstrate by all possible means to my friends in the United States the harm your country is doing in Latin America by flooding it with money, money, money."

"Countries down there do not want to be patronized as though they were orphans or indigents. They ask for recognition as equals. They look upon our insane spending spree during the past few years as a visit from Santa Claus and they take the presents from the Christmas tree avidly but without gratitude. You are entirely right; you cannot buy Latin American friendship."

"The minute the war is over, Latin American countries are going to throw our 'do-gooder' crowd and philanthropic myopics out by the nape of the neck, and resume business with Europeans who do business down there on a hard-boiled basis, withal in a manner consistent with the customs of the people. Just as after the last war—only to a much greater degree—we shall find that we have lost ground in our trade with Latin America."



I trust that the Senate investigation of the quixotic spending spree in Latin America will be complete and without quarter.

"I agree with you that the ultimate outcome of all this reckless spending will do much to destroy the good-neighbor policy.

"Underneath the Latin American's extremely polite exterior he has always seemed to me the complete realist always looking for the 'gato encerrado'—the hidden cat—in any proposal to give him something for nothing. The result is that we lose his respect. And mutual respect seems to me the fundamental of all sound international relationships. The Latin Americans resent our condescension, just as we resented it on the part of Europeans toward ourselves in an earlier day. Our policy has been completely unrealistic and the administration of it intentionally staffed with people who know nothing about actual conditions, but were chosen because they are willing to carry out the policy and ask no questions."

The good-neighbor policy, I reiterate, is not on trial. What well-informed persons are criticizing is the means by which that policy is being practiced. There is no justification whatever for shrouding in secrecy thousands of United States projects in Latin America. Unless the truth about these practices is fully known and squarely faced, the policy itself cannot continue to merit the confidence, either here or in Latin America, which rightfully should belong to it.

Mr. BUTLER. Mr. President, I shall not read the entire article at this time, but I should like to read two or three paragraphs from it. The first paragraph of the article is as follows:

In the United States the principle of the good-neighbor policy for the increase of good will and cooperation between ourselves and Latin America is above partisanship and beyond debate. Both Republicans and Democrats give it enthusiastic support.

But the fact that we endorse the good-neighbor principle does not mean that we must give blank-check endorsement to all the methods that have been used in seeking to carry it out.

I now read a paragraph appearing in the center of the article:

The distinguished foreign minister of a country notable for its friendliness to the United States summed it up when he said that United States spending, lending, and giving in some Latin American nations actually exceed the average per capita income of the people of those countries and that "the nonessential expenditures can be eliminated without harm to hemispherism."

Mr. President, the closing paragraph of the article reads as follows:

The good-neighbor policy, I reiterate, is not on trial. What well-informed persons are criticizing is the means by which that policy is being practiced. There is no justification whatever for shrouding in secrecy thousands of United States projects in Latin America. Unless the truth about these practices is fully known and squarely faced, the policy itself cannot continue to merit the confidence, either here or in Latin America, which rightfully should belong to it.

Mr. President, on November 26, I made a report to the Senate on our financial operations in Latin America. In that report I said—and I quote:

Our actual expenditures, commitments, and extensions of credit in or for Latin America during the 3 years, 1942, 1943, and 1944 total more than \$6,000,000,000.

Mr. President, the document I hold in my hand is an item-by-item list of our

expenditures, commitments, and extensions of credit relating to Latin America during those 3 years. Every item in this list has been documented. Every item has been documented as to its source. The source is set forth in these tables. Every item has been documented as to amount. The amount is set forth in these tables.

More than that, Mr. President, the documentation of every item and of every amount has been certified and authenticated by the well-known Washington accounting firm of James A. Councilor & Co. The head of that firm, Mr. Councilor, was formerly president of the American Society of Certified Public Accountants. The investigation and certification were under the immediate direction of Mr. M. T. Charlton of that firm. Mr. Charlton is at present the president of the District of Columbia Institute of Certified Public Accountants.

Mr. President, this documented, certified total of our expenditures, commitments, and extensions of credit relating to Latin America during the 3 years 1942, 1943, and 1944, amounts to \$5,733,953,534.

It was said on the floor of the Senate that my figures were 95 percent wrong and 5 percent right. They were attacked as false, not only here, but by administration spokesmen in the departments. Mr. President, in the light of this certificate of the public accountant, I submit that those administration statements are proof of the administration's duplicity in perverting the good-neighbor policy so as to spread the New Deal and its methods to envelop a hemisphere. On the basis solely of this first, documented, certified list, which I have just exhibited, I am 95.5 percent right. As a businessman, accustomed to business methods in bookkeeping, I submit that, in the dark and labyrinthine maze of the Government's accounting, 95.5 percent right is as near correct as any mortal has any right to expect to be.

But, Mr. President, I was not wrong. The figures in this total are not all the figures which I would present if I had ready access to all the administration's records, and the energetic aid of the New Deal's accountants. But, even with that handicap, the total figure which, before I am through, I will present today will be substantially in excess of the \$6,000,000,000 contained as the total in my first report. This report will interest every Member of this body who wants to know where the taxpayer's money goes, what it goes for, and what it accomplishes when it gets there. Moreover, this document will bear examination by every Member of this body who believes, as I do, in the good-neighbor policy, and not a good-neighbor New Deal. To a discussion of the items in this certified total of \$5,733,953,534 of our "expenditures, commitments, and extensions of credit" to Latin America, I will return a little later.

Here, Mr. President, is another document. This is a list of our actual expenditures, commitments, and extensions of credit during 1942, 1943, and 1944, in and to our Latin American possessions—the Panama Canal Zone, the Virgin Islands, and Puerto Rico. Every item

in this list has been documented. Its documentation has been certified by the firm of Councilor & Co. The total amount thus documented and certified is \$662,806,970.

That sum, Mr. President, is not part of the \$5,733,953,534 documented and certified in the previous list. I am not including this in that total. This is a different three-quarters of a billion dollars altogether.

But let no one assume that this sum of \$662,806,970, separated though it is in the total, can be separated from any honest, over-all account of what we are doing in Latin America. These are our possessions. We have responsibility for them in peace. We have greater responsibility for them in war. We will spend what is necessary to meet those responsibilities. All that is true.

But the place where this sum has gone, is going, and will go is not somewhere else. The place is Latin America. The amount we spend in these Latin American possessions has some effect on adjoining areas. The way we spend it has a great deal of effect. If we are lavish and wasteful in the Territories under our flag, the consequences of our lavishness and wastefulness cannot be confined to those Territories. They set precedents; they stir unrest; they create ill-will elsewhere.

Moreover, Mr. President—and this is the most important point—it is in these possessions of ours, particularly in the Virgin Islands under Mr. Harold Ickes and in Puerto Rico under Dr. Rexford Guy Tugwell that the pattern of New Deal spending for all Latin America has been set and fashioned.

Let us suppose, Mr. President, that I am an inquiring and somewhat skeptical Latin American. As such I want to know what the United States, if given a wholly free hand, would do down there. Where would I go? I would not go to Washington. I would go, rather, to those areas of Latin America where we already have a free hand.

What would I find? Would I find in Dr. Tugwell's Puerto Rico evidence to encourage me to believe in New Deal neighborism? On the contrary, I would find much to alarm me. A distinguished Member of this body, the Senator from New Mexico [Mr. CHAVEZ], went to Puerto Rico last year. What did he find? He found a place where—and I quote him—"there is only one commodity of which there is an abundance and that is Government employees." I would find, if I were an inquiring Latin American, that last spring 30 percent of the island's employables were unemployed. I would find a territory which, more nearly than any other in the New World's history, is governed according to the principles of state socialism.

No intelligent Latin American could witness what we are doing and come away without having his faith in our good-neighbor policy badly shaken. For he would see in our New Deal spending in our own possessions a blueprint of the New Deal's Latin American shape of things to come.

I am offering this document for the RECORD. It belongs there because in this

three-quarters of a billion dollars—more, perhaps, than anywhere else—is concealed the answer to the question: What is the New Deal, under the good-neighbor cloak, aiming for in Latin America?

The first document which I introduced was a certified total of our expenditures, commitments, and extensions of credit to Latin America during 1942, 1943, and 1944. The total thus certified was \$5,733,953,534.

Let no one assume that that grand total of \$6,396,760,504 to Latin America and to our Latin American possessions is all that we have expended, committed, and extended down there. That total of \$6,396,760,504 is only the documented, certified total. That is the amount that we can be absolutely sure of. That is the amount which this responsible, highly reputable firm of accountants would certify and authenticate.

How much more there is no one can say. How much more there is no single Member of this body, however aided by experts, can find out. The sums of money for which no public accounting is made are too vast. The technique of concealment is too well developed. The dark art of financial double-talk has been too well mastered. We do not know. Perhaps the administration does not know. Certainly, the taxpayer does not know.

But there is evidence of much additional, unrevealed expenditures, commitments, and extensions of credit. There is substantial evidence of it. There is substantial evidence that the sum, if it were known, would be a huge one.

Let me illustrate what I mean. On November 18, 1942, our American Ambassador to Mexico signed an agreement with the Mexican Government for the reconstruction and rehabilitation of Mexico's government-owned railroads from Laredo, Tex., all the way to Guatemala. According to that agreement, the United States bears the cost of all materials and equipments. It bears the cost of all rails and fastenings. It furnishes, without cost to Mexico, all the technicians necessary for the job. It bears the cost of repairing railway locomotives. It bears the cost of whatever additional Mexican road gangs are necessary for the labor. In short, Mr. President, the United States foots the bill.

How much that bill will be nobody knows. You will notice that I have put down, in the first document of certified expenditures, a total of \$7,500,000 for this project. That is the amount which the Government will acknowledge. But nobody believes or contends that that is anything like the total eventual cost. On the contrary, Mr. President, I have had testimony from two competent sources that the total cost will be near \$100,000,000. One of these authorities is Mr. Floyd Ransome, a Mexico City American businessman now associated with the Office of Economic Warfare and the Reconstruction Finance Corporation. The other is William F. Machold, head of the Trade and Commerce Division of the Office of the Coordinator of Inter-American Affairs. Both of these competent

witnesses have declared that the cost of this railway undertaking will be close to \$100,000,000.

That is \$92,500,000 more than is included in our certified total. But, Mr. President, no honest, over-all account of our Latin-American expenditures, commitments, and extensions of credit would be honest or over-all that left that sum out of account. One may ask how this administration could appropriate that sum without Congress knowing about it. But if he does, let him ask also where the \$7,500,000 appears in the Budget.

That is just one item of this type of expenditure. Throughout Latin America funds are going into cinchona plantations, sansiviera plantations, cryptostegia plantations, hennequin plantations, sisal plantations, abaca plantations, Rotenone plantations. They are expensive. They are costing us multiplied millions of dollars. But how many? Eighty millions? One hundred millions? I have been unable, despite persistent and lengthy effort, to find an exact figure. The items will not be found in the Budget; and even if some administration spokesmen should declare blandly that the sum is so many millions, why should their statements merit credulity when these same spokesmen's figures do not jibe with what the certified public accountants find?

Another item unknown in amount, but surely known as a fact, is the Mexican oil-refinery project known as Petroleas Mexicanos. This was mentioned in a press release from the Coordinator's office; and newspapermen, quoting the Coordinator, as they often do, though he may have spoken only orally of the project, mentioned in their stories the sum of \$10,000,000. What is the correct amount? Why does not the New Deal state it, rather than saying, as its spokesmen did on this floor some weeks ago, that the funds simply had not been paid out as yet. There was no denial, however, that the money was not obligated. They are undocumented figures, it is true; but important.

Then there are administrative expenses. In the certified public accountants' list is a \$23,000,000 item covering the pay roll for only 16 of the agencies which are doing business in Latin America. But there is evidence that there are 40 other Government agencies running up expenses there. What are their administrative expenditures? Another \$23,000,000? Maybe more? I cannot supply the figures because they have not been made available to me. Yet such figures would add to the total of our Latin American expenditures.

A Mr. Cook, an official of Standard Oil at Buenos Aires, told me that the United States Government had financed \$50,000,000 worth of oil exploration in Argentina. Is this a fact? I wrote the Petroleum Administrator for War in an attempt to ascertain just how much Government money was being used to finance oil explorations through Latin America. I received no reply. I lack the authority to send an auditor either to P. A. W. or to the Petroleum Reserves Corporation. But the information their books contain

certainly should be interesting in any over-all picture of our Latin American operations.

Throughout Latin America our military authorities have built radio stations and otherwise improved the continent's communications. Those numerous towers and installations cost some millions of dollars, according to what was told me while looking at them in the company of high military and naval officers. But the immense amount of expenditure involved in their construction is unknown; the Washington officials say the amount is a military secret and therefore not available to me, a United States Senator.

In that same category are pay rolls of military and naval personnel stationed in Latin America. This money, spent largely in Latin America, would be enough to cause a great part of the inflationary conditions existing in many Latin American countries today. To the extent that these sums helped to carry the Latin American economy, they certainly made unnecessary those welfare type and boondoggling expenditures which we have spread through the countries. But what is the amount? It has been variously estimated as high as \$400,000,000, but it is not included on the certified list I began with today because it is not definitely known.

Let me repeat, the foregoing are not a part of the \$5,733,953,534, which is the authenticated, certified total of our expenditures, commitments, and extensions of credit in Latin America. This is not a part of the \$662,806,970, which is the authenticated total of our expenditures, commitments, and extensions of credit in and to our Latin American possessions. This is additional.

I am submitting these figures for the Record. I am offering them for the Record because no honest, over-all account of our operations in Latin America would be either over-all or honest if it failed to indicate that beyond our certified total of \$5,733,953,534 in Latin America, and in addition to our certified total of \$662,806,970 in our Latin American possessions, there are other sums, amounts unknown, which must be taken into consideration.

Mr. President, I wish to make it clear that I do not rest the case on this uncertified spending. I do not even rest the case on the \$662,806,970 of certified spending in our Latin American possessions.

I rest the case on the certified amounts contained in the first document which I introduced. That document shows that "our actual expenditures, commitments, and extensions of credit" to Latin America in the years 1942, 1943, and 1944 were \$5,733,953,534.

That, Mr. President, is not \$6,000,000,000. That is \$266,046,466 less than \$6,000,000,000. My assertion to this body on November 26 has thus been proved to be 4.5 percent wrong. I rest the case on the fact that that assertion has been proved to be 95.5 percent right.

I hope that this document will be examined. I hope it will be examined for errors. In my original statement to the



Senate I said "It would be miraculous if all errors were avoided in making such a long and detailed report." That is still true.

Perhaps my own further investigations will prove that instead of being 95.5 percent right, I am 125 percent right. That is altogether possible. Every day, working through the New Deal's Latin American maze, I come upon new documentation which makes it possible to transfer an uncertified item into the certified list.

But meanwhile, 95.5 percent right is right enough for me. It will be right enough for the American taxpayer. To the American taxpayer, and to me, \$5,733,953,534 is a lot of money. Approximately three-quarters of a billion dollars is a lot of money.

Mr. President, does this add up to \$6,000,000,000? Or does it not? To me, to the American taxpayers, to any fair-minded Member of this body, it adds up to a great deal more than \$6,000,000,000.

The important fact about that figure is not that my original assertion has thus been substantiated. I am not chiefly interested in my own vindication. Neither are the bases of my arguments statistical. This multi-billion-dollar total, Mr. President, is important because it demonstrates, in Latin America, what the present Government of the United States apparently aims to do all over the world. In Latin America we have already found out what we are beginning to find out in other parts of the world, namely, that money will not buy good will and that the Treasury of the United States cannot successfully be the agent for building our post-war world.

Recently an Associated Press dispatch from north Africa came to my attention. That dispatch from this objective news source outlined in detail the story of the way in which, in north Africa, we are throwing our money around. It indicates, just as the facts in Latin America indicate, that the consequences of our spending are not good consequences. Instead of liking us better, the people in north Africa are liking us less; instead of having a greater desire for our way of life, they are turning hostile to that way of life.

That, Mr. President, is what is happening in Latin America. It is time for us to recognize that fact and face it. It is time that we understood that our Latin American ventures are only one part of a world venture. It is time that we called a halt and took an inventory. That is what I am asking for. I am asking for it because such an inventory is the first step necessary in the direction of developing a policy that will be soundly good neighbor.

But having set the figures straight, I should like to set straight a few other things. It would be greatly to the liking of those behind the good-neighbor New Deal if they could shift the ground of this debate entirely. Even the new dealers do not like the sound of \$6,000,000,000—not when it is made public. They would like to have us talk about our Latin American ventures exclusively in terms of expenditures, that is, cash on the barrel head, paid out. If we should do

that they would come up with considerably less than \$6,000,000,000 and they would be a lot happier about it. But we will not be caught in that trap. I aim to give to the people of this country and to the people of Latin America, not the New Deal picture of what we have undertaken, but an honest picture of what we have undertaken. Any over-all accounting which stops with expenditures, which does not include commitment and extensions of credit is thoroughly misleading, deceptive, and dishonest.

I am not going into the legal technicalities as to whether an obligation is an actual expenditure or when it becomes one; or whether a commitment is an actual expenditure; or whether an extension of credit is an actual expenditure. Such technicalities are red herrings.

But, Mr. President, I am going to point out that it has been my observation and experience as, I am sure, it has been the experience of other Members of this body, that sooner or later a commitment does become an expenditure; sooner or later an extension of credit does become an expenditure. If an expenditure were not in mind then, plainly, the commitment or the extension of credit would not have been asked for in the first place. Such commitments and credits were asked for from the Treasury of the United States, because somebody in our Latin American operations had something specifically in mind for which that money was going to be used. Perhaps it was not all to be used in this year. Perhaps the project in mind extended over 2 years, 5 years, or 10 years, with payments out of the United States Treasury continuing year by year through that period. But it is obvious that to know what we are up to in Latin America we must take not merely 1 year's installment on our obligations. We must take the total obligation.

In my report to the Senate last November, I said "our actual expenditures, commitments, and extensions of credit." That is what I meant to say. I repeat, today, that "our actual expenditures, commitments, and extensions of credit" to Latin America during the 3 years 1942, 1943, and 1944 total \$5,733,953,534. Any other kind of accounting would have as its only aim and purpose the deceiving of the American people.

Now, it would also be greatly to the liking of those behind the good-neighbor New Deal if they could shift the ground of this debate in another direction. They would like to have us omit entirely from our reckoning what has been, is being, and will be spent in Latin America for war purposes, for the securing of war materials, for the development of air and naval bases. If I did that, I could come up with a lot less than \$6,000,000,000. But if I did that I would also be dishonest. An over-all accounting of what we are doing in Latin America and of the consequences of our doing it which leaves military and naval expenditures out of account is misleading and deceptive.

Let me take a moment here to point out one of the divers and sundry tricks by which the New Deal sought to dis-

credit my report. Alarmed that somebody, at long last, had begun to pry the lid off, the new dealers raised the hue and cry that I had classified our war expenditures in Latin America as boondoggling. Even the distinguished Senator from Tennessee was taken in by that. He said:

The Senator has made an astounding statement that \$6,000,000,000 has been spent in boondoggling in South and Central America.

I know how, in the heat of debate, such unsupported and unsupportable charges are sometimes made. I do not criticize the Senator from Tennessee for having made, in the heat of the moment, such an unsupported and unsupportable charge against me. He knows, of course, that I did not say that; that I did not say anything like that. I am sure he will recall that I said:

In the list there are many items in connection with the purchase of critical materials which I would not criticize.

I did not criticize them then. I do not criticize them now. Moreover, I do not criticize the necessary spending involved in the building of air and naval bases which are indispensable for Latin America's defense and for our common victory.

May I digress for a moment, Mr. President, to underline that remark "indispensable for Latin America's defense and for our common victory." I am acutely conscious of the size and importance of Latin America's contribution to our war effort. But, Mr. President, this is not our war effort alone. It is also their war effort. They are not providing us with these necessary things entirely out of the kindness of their hearts. In the first place we pay handsomely for them. In the second place we are using them for the protection of these nations themselves.

Or is it true, Mr. President, as some of the administration's spokesmen would lead us to believe, that democracy is on such shaky foundations in Latin America that it must be shored up with our money? Is it true, as one inevitably gathers from administration arguments, that, though the nations of Latin America are in this war formally, their hearts are not in it and that we, therefore, are obliged to pour in the money lest, not liking the company they are in, they pull out again?

I do not believe that these things are true. But that is what the administration, searching for reasons for its vast expenditures, would lead us to think. But if, by any chance, the administration is right; if these things are true; if the support in Latin America for us and for our war effort will only last as long as the money holds out, then, Mr. President, the sooner we find it out the better.

But what I am getting at, Mr. President, is the total story of United States financial operations in Latin America and the consequences thereof. Anybody who thinks that that story would be complete without an accounting of our war expenditures and commitments,

however necessary, is deliberately leaving out of account one of the most important chapters in that story. Moreover, Mr. President, it is time we took serious note of the New Deal's latest strategy of defense and coercion. That strategy is to hide the New Deal, its plans and purposes, its extravagances and waste, under the cloak of war necessity. That is a clever maneuver. For then when anyone in Congress or elsewhere arises to attack the New Deal's plans and purposes, its extravagance and waste, that person is forthwith assailed as hindering the war effort. Mr. President, the war effort and the New Deal are not synonymous. On the contrary, there is every reason to believe that we would have more war effort if we had less New Deal.

I do not propose to fall into that trap either. The New Deal's operations in Latin America have made use of military necessity for ideological purposes. The New Deal's authority in the matter of our military expenditures in Latin America has resulted in extravagance and waste.

I am by no means alone in that conclusion, Mr. President. Last fall a subcommittee of the Military Affairs Committee of the United States House of Representatives went to Latin America. The chairman of this committee was MATTHEW J. MERRITT. Mr. MERRITT is a Democrat. Three of the five members of this subcommittee were Democrats. On their return, only last month, they issued a statement. It was a unanimous statement, the three Democrats concurring with the two Republicans.

What they had to say concerned military construction and the payment of wages on these admittedly necessary military projects. Here is what they said:

In every instance known to the committee, these wage scales are much higher than native wages. Since there was little competing employment in these areas, the additional incentive was not required to obtain workers. But as a result of these higher wages misunderstanding and resentment have been created among the local people and unrest and jealousies among the workers. The War Department is continuing to pay its native workers more than the prevailing wages at practically every base investigated.

In the current February issue of the Reader's Digest I have written a second article, the title of which is "They Are Still Deep, Dark Secrets." I have already referred to that article, and included it as a part of my remarks. That article contains further, competent testimony, such as that given by the Merritt committee, from persons intimately familiar with what we are doing in Latin America.

The new dealers, Mr. President, would like to have me leave such evidence as that out of my accounting. They would like to have me omit the extravagance and waste which behind the excuse of war necessity they are forcing upon our military leaders. But I do not propose to leave that out of my account. What I am presenting here is not a New Deal

apologetic. What I am presenting is an honest accounting.

Moreover, Mr. President, our war expending and commitments and extensions of credit to Latin America, however necessary, have put many of these countries on the crest of an economic boom. It is a boom, I might add, which has worked chiefly to the advantage of those who are in the upper financial brackets. Very little of it has been transmitted, as yet, to the advantage of the average man and woman, unless perchance, he happens to be a United States employee. The average man and woman are quite differently affected. They are not the beneficiaries of our spending. They are, rather, the victims of the inflationary situation which our spending has produced.

This is not my opinion alone. The American in Mexico who probably knows more than any other about the economic consequences of our operations there is Mr. Floyd Ransome. Mr. Ransome is a businessman, one of the most successful American businessmen in Mexico. As a war service, he was serving, when I saw him, in a representative capacity for both the Office of Economic Warfare and the Reconstruction Finance Corporation. He was frankly alarmed at the inflationary pressures which were resulting from excessive United States spending in Mexico. In his opinion, the rank and file Mexicans do not benefit. Rather, they have ground for resentment.

Last fall, a dozen outstanding United States correspondents were taken on an officially sponsored trip to view our efforts to get raw rubber from the Amazon jungle. They saw many things in addition. Among other things, they saw the same inflationary consequences of our large-scale spending. One of them, Marquis W. Childs, distinguished Washington correspondent for the St. Louis Post-Dispatch, wrote as follows:

While appraisal is difficult in a country with such close internal censorship as Brazil, some observers believe they see signs of gathering unrest.

In spite of handsome charts which show the contrary, prices have risen and life for the ordinary citizen is more difficult.

I should like to say that in the current issue of Reader's Digest, to which I have already referred, there will be found more authentic confirmation of this independent testimony.

Naturally, Mr. President, the new dealers would like to have me leave those consequences out of the picture. They would like to have me omit any reference to the expenditures which are helping to produce those consequences. That I do not propose to be tricked into doing.

Toward the end of December there was a revolution in Bolivia, a revolution which threw out a pro-United States government and brought to power a government more pro-Axis. Was this because we had not spent enough money in Bolivia to buy her good will? Or was it because so little of the huge sums we spent reached the common people? Or was it simply because good will is some-

thing which cannot be bought over the counter and rung up on a cash register?

I want to read two responsible statements about Bolivia which may help to answer these questions. Last August Harper's magazine carried an article by that well-known authority on Latin America, Mr. Carleton Beals. The article was entitled "Inside the Good Neighbor Policy." It concerned the good-neighbor policy, as currently practiced, in Bolivia. It made it plain that, inside the currently practiced good-neighbor policy in Bolivia, there are a good many things that neither look nice nor smell nice.

But let me quote Mr. Beals' conclusions. He says:

Thus in the United States urgency to obtain such essential war materials or to prevent them from reaching the enemy there is no assurance necessarily that the good-neighbor policy will be permanently fortified or that the future economic independence and prosperity of Bolivia or the full development of its potential resources in guarantee of permanent economic security will be attained. Certainly there is in all this no assurance of any satisfactory post-war solution.

The Bolivian tangle—

And I am still quoting Mr. Beals—

presents other aspects of far-reaching importance. The immediate problem in Bolivia has been to change the formula "tin versus human welfare" into "human welfare plus more tin." But if we write extensive labor provisions into our contracts for foreign materials, is there any way of seeing that they are lived up to except by utilizing American Government inspectors? Any such move promptly runs afoul of national sovereignties. Are we, in addition to military, economic, diplomatic, and other missions of experts, to put social-welfare commissions to promote labor legislation in every land on the face of the earth? How long can we support such world-wide welfare undertakings?

And what—

Mr. Beals asks—

if the Bolivian economy collapses with the end of our buying spurge? There was a boom during the last war, after that Bolivia wallowed in the trough of hard times until the onset of the present war. The benefits of these booms accrue mostly to the absentees, the country and most of its people scabble along in their bleak and remote poverty, the prey of politicians at home and landlords abroad.

What is going to happen—

And this is still Mr. Beals—

to the recommendations of our high-minded mission? What is going to be the fate of the good-neighbor policy? What can that policy accomplish that will leave the Bolivians less driven, less at the mercy of the powers that now dominate them?

That, Mr. President, is the testimony of Mr. Carleton Beals. Of course, the new dealers would like to have me leave all that out of our accounting.

Here is further testimony to the same effect. In its issue of January 3 Time magazine reported, in some detail, the Bolivian revolution which happened a few days earlier. Time concluded the report with these significant comments:

The United States buys Bolivian tin, helps her with loans, technicians, lend-lease. But



these favors do not touch the heart of the Bolivian people. When they stoned the United States Embassy they were criticizing United States policy in the only way they knew.

Naturally, Mr. President, the New Deal hopes I will skip that. They hope that I will leave part of our Latin American operations out of account so that they can escape responsibility for the consequences of our expenditures, commitments, and extensions of credit to Latin America. I aim to present, not part of the picture, but the whole picture. Unless we see and understand the whole picture, we shall never be in a position to take those steps necessary to forestall further consequences of this unhappy sort.

Moreover, there is another fact which such an honest accounting must consider. There is boondoggling in our operations in Latin America. There is a vast amount of it. Just how much there is, just what its actual dollars-and-cents size may be, no one can say. There is boondoggling in enterprises which the New Deal has sought to cover up under the cloak of war necessity.

On the face of it the getting of rubber out of the Amazon jungle is not a boondoggle. The New Deal hopes that we will assume that that project is a war project, and not scrutinize it too closely, but it has been scrutinized. The newspapermen who went down there last fall had a good look at it.

Let me read to the Senate what one of them said about it. This is from Frank Kelley, experienced and able member of the Washington Bureau of the New York Herald Tribune. He sent this cable from Brazil. He said:

The rubber program in the Amazon began a year and a half ago as a gigantic international boondoggle. Today it has been whittled down to something like an export edition of W. P. A.

That is not my opinion, Mr. President. That is the opinion of a responsible newspaperman who was seeing firsthand. Here is the way in which the New York Herald Tribune, commenting on Mr. Kelley's dispatch, summed it up. Calling the project, as undertaken by the Board of Economic Warfare, an attempt to create "an impossible brave new world in the jungle," this editorial proceeds:

They hoped to cut across the traditional economics of the Amazon and deal directly with the tapper, raising his standard of living to a point at which it would have been doubtful whether he would have remained on the job instead of going off to hunt or fish. Their plans called for the gift to the tappers and their wives of a great variety of supplies and equipment including sewing machines and bathtubs.

As I have already said, no one knows the actual, dollar-and-cents size of our Latin American boondoggle. It is obviously more than it ought to be.

How much more it is than it ought to be can only be fully appreciated when it is put alongside the sum total of all our expenditures, commitments and extensions of credit in Latin America. For the fact is that, due to the inpouring

of American dollars and American credit, many of these countries, in their governments and in their upper economic brackets, are on the crest of a wave of unprecedented prosperity. There was never a time in all their history when some of them were in such good position to do for themselves what we are insisting we must do for them.

I insist, Mr. President, that any non-military project, any nonwar enterprise, any undertaking directly concerned with defense, which any Latin American nation is able to handle for itself, but which we do instead, deserves to be put into the "boondoggle" classification. It may, like the building of hospitals, be a good idea; like the building of sewage systems, it may be a commendable idea; like the construction of roads, it may be a useful idea. But whenever these things are done and largely paid for by us when they could be done and largely paid for by these prospering nations, then, Mr. President, the idea, insofar as it involves the United States Treasury, is unnecessary and unsound.

Of course, the New Deal would like to have me omit part of the picture of our good-neighbor New Deal. They would like to have me omit it because to see the whole picture is to see, at once, how inexcusable and demoralizing some of our Latin American ventures are.

Thus, and for these reasons, Mr. President, what I am talking about now, what I was talking about last November, is "our actual expenditures, commitments, and extensions of credit" in Latin America during the 3 years 1942, 1943, and 1944. To talk about anything less than that would be to conceal part of the truth.

I am not particularly concerned by the slurs and innuendos which, after my first report, were directed at me. If that is the best level on which the New Deal can defend itself in Latin America, then that fact speaks for itself. I do not propose to reply to the New Deal on the New Deal's level. I have something better with which to reply.

I am interested in the truth about our Latin American operations. I am interested in it because I believe that getting the truth is the first and most important step toward the establishment of a good-neighbor policy that will be better than the New Deal; better for us and better for Latin America.

In the interest of the truth there are, however, certain facts about the New Deal's attack on my report which should be a part of this record. The first fact is the gigantic disagreement not between myself and the new dealers but between the new dealers themselves. Immediately following my report, Mr. Nelson Rockefeller, Coordinator of Inter-American Affairs, made a statement in which, according to the Associated Press, he said:

Spending and commitments to spend in Latin America in the last 3 years by all Government agencies, including military and naval installations, total less than \$600,000,000.

How astronomically wrong Mr. Rockefeller is can be gathered from a brief

study of the document containing certified expenditures of \$5,733,953,534, the document to which I have been referring. But what is more interesting at this point is not the gulf that divides Mr. Rockefeller from the facts; what is more interesting is the gulf which divides Mr. Rockefeller's purported facts from the purported facts of other administration spokesmen.

On the same day on which Mr. Rockefeller made his statement the distinguished Senator from Tennessee [Mr. McKellar] also made a statement. His statement, like that of Mr. Rockefeller, was on behalf of the administration. The Senator presented certain figures. Of course, I do not believe that the figures which he used were his own figures. I have too great respect for the Senator as acting chairman of the Appropriations Committee to believe that they were his own figures.

But the interesting fact is that the Senator from Tennessee and the Coordinator of Inter-American Affairs both purported to give the same figures, and yet they were not the same figures. They missed being the same figures by more than a billion and a half dollars. The Senator said:

If I understand correctly, \$2,207,000,000 is all that has been spent down there for every purpose, including the purchase of war material.

Mr. Rockefeller says \$600,000,000. The Senator from Tennessee says \$2,207,000,000. That is a discrepancy of \$1,607,000,000. It is a discrepancy which, to adopt the phrase of another, "is not picayune."

Now, perhaps Mr. Rockefeller and the Senator from Tennessee were talking about different things. Perhaps they were drawing from different sources. Perhaps they talked to different people. I don't know. It is not important that I should know. What I do know is that I had said "our actual expenditures, commitments, and extensions of credit to Latin America during the 3 years—1942, 1943, 1944—total more than \$6,000,000,000," a figure that is now proved to be 95.5 percent right. That is what I was talking about, Mr. President. Mr. Rockefeller and the Senator from Tennessee wanted to give the impression that that was what they were talking about. They gave that impression. To give any other kind of impression would not have served their purpose which was to cast doubt upon the authenticity of what I had said.

But there is more to this. On December 13 the distinguished Senator from Tennessee took up the discussion again. This time he brought with him a wholly new set of figures. This time he said:

Now, Mr. President, I am here with the actual facts. I present first an over-all picture of all our expenditures and operations for the last 3 years in Latin America. I hope the Senators will listen carefully as I read the figures.

The net figure, the over-all total which he read in this case was \$1,483,373,000.

That is \$723,000,000 less than his previous total. It is still \$883,373,000 more than the total of Mr. Rockefeller.

Mr. President, when the administration's spokesmen, with the energetic cooperation of the New Deal bookkeeper, go so far wrong, is it surprising that a member of the opposition, who has to dig for the facts, can only be 95.5 percent right? Confronted with such conflict and contradiction, is it surprising that the people of Latin America, instead of being filled with good neighborliness, are filled with doubt and suspicion? Or, being witness to such a spectacle of confusion, is it any wonder that the American people who desire to have a good-neighbor policy in which they can have faith, are filled with distrust for the good-neighbor New Deal?

If I may presume to say so, the distinguished Senator from Tennessee, expert at figures though he is, appears, in this instance, to have been taken for a New Deal ride. He gives the impression that he is talking about the same thing I am talking about. It is only by appearing to talk about what I talked about that he can discredit my figures. But unhappily, the Senator was not talking about the same thing I was talking about. He was talking about something else altogether.

I said that our "actual expenditures, commitments and extensions of credit on Latin America during the years 1942, 1943, and 1944 amounted to more than \$6,000,000,000." That figure has now been proved to be 95.5 percent right. But back there in November, the Senator from Tennessee was trying to prove that I was 95 percent wrong. How did he go about it? Well, I am sure that the Senator did not go about it at all. I am sure that the trick employed originated somewhere else.

Mr. McKELLAR. Mr. President—  
The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. BUTLER. I yield.

Mr. McKELLAR. I desire to say that that statement is unqualifiedly incorrect. I made that speech myself. I made the investigation myself. I had such help as I could obtain, but no one has ever and so long as I live no one ever will speak for me either directly or indirectly on this floor. I am responsible for those figures, and no one else is.

Mr. BUTLER. Mr. President, I want to assure the distinguished Senator from Tennessee that I intended no reflection whatever on him or on his ability. I respect the Senator's ability as highly as does every other Member of this body. But I think if the Senator will wait until I finish this sentence he will appreciate its import and understand what I mean. I think he was misled, and I still think so.

For the 3-year period from which the Senator drew his totals was not the same 3-year period from which I drew mine. It was a different period. It was not the years 1942, 1943, and 1944. It was the years 1941, 1942, and 1943.

I do not know what the correct total for the Senator's period is; whether it is the Senator's first figure or the Senator's second figure or Mr. Rockefeller's figure or some other figure. I do not know and I have not made any effort to find out. For that is not the period I was talking about. It is not the period I am talking about now. What I am talking about is the figure for the years 1942, 1943, and 1944. The certified total for that period is \$5,733,953,534, or 95.5 percent of the sum I said that it was in November.

Mr. President, I want to be charitable about this. I have, now, a better understanding than I ever had before of just what sort of deviousness and deceptions anyone runs afoul of who tries to get the truth about what is happening in our Latin-American operations.

Just lately a very good, but by no means exceptional, illustration of what I mean came to hand. This concerns our \$78,000,000 effort to get rubber out of the Amazon jungle; the effort which the Herald Tribune's correspondent characterized as a gigantic boondoggle now trimmed down to a W. P. A.

In his reply to my first report to the Senate, the distinguished Senator from Tennessee took exception to what I had said about this rubber undertaking. He said that in return for our \$78,000,000 we had received 30,000 tons of raw rubber. A short time after the Senator introduced his figure, the head of the Rubber Development Corporation appeared before the Gillette committee and offered his figure. He said that for our \$78,000,000 we had received 24,000 tons of rubber. Well, that is a 6,000-ton discrepancy to start with.

But the counsel for the Gillette committee, like a good many of us, was unwilling to take the administration's statement at face value. He put the pressure on Mr. Allen and other witnesses and the facts began to ooze out. He found that that 24,000 tons that we were getting for our \$78,000,000 was not net increase. Not at all. Before the war, before we spent our \$78,000,000, we were already getting 16,000 tons. So that reduces the net return. It reduces it—to use Mr. Allen's figures—to a net of 8,000 tons.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. McKELLAR. The Senator will admit that it was not 30,000 pounds? Do I understand the Senator to say that he admits that it was not 30,000 pounds? It was not 30,000 pounds.

Mr. BUTLER. No; the fact of the matter is, I will say to my good friend, the Senator from Tennessee, that the copy of the report which I made, from which the Senator prepared his text, was the unproven or unchecked report, and the error did not appear in my final report to the committee. That error was eliminated.

Continuing with the same illustration.

The pressure was continued and more facts appeared. When we went into the Amazon jungle with our \$78,000,000, it

seemed that we entered into an agreement with Brazil. By the terms of that agreement, Brazil gets the first 10,000 tons of what we take out. That further reduces our net return. It not only reduces it, it wipes it out entirely. It replaces it with a deficit. For our \$78,000,000 it now seems that we are not getting 30,000 tons net gain; we are not getting 24,000 tons net gain. We are getting, in fact, 2,000 tons less than we got before we started.

Is it any wonder that the truth is hard to get at? Is it any wonder that such effort is made to see to it that we do not get at the truth?

In the administration's reply to my original report, a good deal was made of the loans of the Export-Import Bank to Latin America. We were left to draw the inference that our loans down there are a good risk. Well, Mr. President, I, for one, hope they are a good risk. We need a few foreign loans like that. But I cannot refrain from recalling that, some years ago, a great many private banking institutions in the United States floated loans in some of these countries. Bonds of these countries were bought by thousands of United States citizens. The total amount of the private, United States loans to Latin America which are now in default is \$1,700,000,000. I hope that that bitter experience is not symptomatic. But any ordinary banker, Mr. President, would be bound to give the fact some consideration before he loaned any more money.

Some of the loans made by the Export-Import Bank have been repaid. That is all to the good. I hope they will all be repaid. But the process of repaying them will, I think, bear some scrutiny. For example, in the laws of the Seventy-eighth Congress, chapter 92, I come upon this paragraph:

There is hereby authorized to be appropriated out of any moneys in the Treasury, not otherwise appropriated, a sum not to exceed \$2,700,000 to enable the Secretary of the Treasury to pay to the Republic of Panama an amount equivalent to the principal and interest paid by that government on account of the credit of \$2,500,000 made available to it by the Export-Import Bank for the construction of Panama's share of the Chorrera-Rio Hato Highway and to pay to the Export-Import Bank an amount sufficient to liquidate the remaining obligation of the Republic of Panama to that bank on account of the aforesaid credit.

In other words, Mr. President, the Export-Import Bank loaned to Panama \$2,500,000. Then the United States Treasury was authorized to give to Panama \$2,700,000 with which to pay back that sum to the Export-Import Bank, plus interest. I am glad that the Export-Import Bank is being repaid. I think the process of repayment needs to be studied. Please note that the Republic of Panama is not the Canal Zone. It is an independent government, over which we have no control.

Now, the new dealers, in connection with my report, have resorted to another trick. They have raised a great uproar to the effect that I attacked the good-neighbor policy. That is another revela-



tion of New Deal strategy. It is of a piece with its other dishonesties.

The principle of the good-neighbor policy is above partisan dispute. It is agreed to by both parties. Like the war and its successful prosecution, that principle is not a political issue. That, Mr. President, makes it all the easier for the new dealers to make New Deal use of it. They can hide themselves behind that principle, just as they hide themselves and their purposes back of the war effort. They then can say, as they said about me, that any criticism of what is being done under the guise of the good-neighbor policy is, ipso facto, a criticism of the principle of that policy. That is their strategy. In this case, at least, they will not get away with it.

Mr. McKELLAR. Mr. President, will the Senator yield for a further question?

Mr. BUTLER. I yield.

Mr. McKELLAR. My question is merely a humble, everyday sort of question. While the war is going on and while the nations south of us, in Latin America, for the most part are with us, does the Senator conceive that such an explanatory speech as the one he is making in the Senate today, in which he directly or indirectly criticizes our neighbors and our dealings with them, contributes to the good-neighbor relations which should exist between our country and our Latin American neighbors?

Mr. BUTLER. Mr. President, has the Senator concluded his question?

Mr. McKELLAR. Yes.

Mr. BUTLER. I shall be very glad to answer it with a plain "Yes." I think I am making a contribution to the genuine good-neighbor policy. I have just completed a trip through the 20 Latin American countries. I have visited them. I know most of their rulers personally through a short meeting. I have talked with them. I have talked with business interests, Americans, and representatives of the native countries. I have talked with representatives and members of our own embassies. I am confident that I am making a contribution to the good neighborliness between our country and the 20 Latin American countries.

Mr. McKELLAR. Mr. President, in the kindest way in which I am capable of expressing myself, looking at the matter just as I think a Senator should look at it, as an American should look at it, I beg to differ with the Senator. I believe the kind of explanatory speech the Senator is making, keeping up or attempting to keep up a controversy which has simmered down, to say the least, does not do our country any good in this time of war. I say that in the utmost kindness, because I know the Senator would not intentionally stir up things. But, instead of helping our good-neighbor policy, I am very much afraid the Senator's speech will tend to hurt that policy—although I hope it will not—rather than help it.

Mr. BUTLER. Mr. President, I appreciate what my good friend the distinguished Senator from Tennessee has had to say. Before the conclusion of my

remarks, which are just about finished, I think he will feel as I do, that I am endeavoring, at least, to make a genuine contribution to the good-neighbor policy. I believe as heartily as does any Member of this body in the principle of the good-neighbor policy. I have tried to support that principle.

I hold in my hand a photostatic copy of a letter I received from our great Secretary of State, Cordell Hull, shortly after my return from the trip through South America. We all recall that Cordell Hull is a former distinguished Member of this body. I am proud of his letter. I think I shall read it at this time, because I believe it is a direct answer to the question just propounded to me by the Senator from Tennessee. The letter is dated August 28, 1943, is addressed to me, and is signed by Cordell Hull. It reads as follows:

MY DEAR SENATOR BUTLER: I take pleasure in transmitting herewith a summary of the events of your visit to Chile, together with a set of Chilean newspaper clippings regarding the event. You will undoubtedly be pleased to know that Ambassador Bowers in forwarding these clippings said:

"Senator BUTLER made an excellent impression here in his contacts with Chileans, in his speech before the Chilean Senate, and in the remarks made during a press conference arranged for him by the Embassy."

"I think particularly praiseworthy was his statement, made frequently in conversation and in his press conference, that possible change in the administration as a result of future elections would not alter the fundamental policy of the United States of cooperation with South America."

Sincerely yours,

CORDELL HULL.

Mr. President, I am glad to have in this record that testimony from Mr. Hull and from our Ambassador to Chile, Mr. Bowers. I do not believe now, any more than I did then, that a change in administrations would alter the fundamental policy of the United States toward Latin America. But, Mr. President, such a change would greatly alter some of the things that are now going on under the cloak of that policy—alter them for the great benefit of ourselves and of our neighbors.

In the article which I wrote in the December issue of Reader's Digest, *Our Deep, Dark Secrets in Latin America*, I said almost the same thing. I wrote:

The answer to all this is not to scrap the good-neighbor policy. The answer is to make it authentically good neighbor. Neighborliness is a two-way proposition. We should stop trying to be rich uncle to Latin America. We should insist that, according to their ability to pay, what we do for the nations of Latin America is matched, dollar for dollar, by what Latin America does for itself. This is not merely sound sense from the standpoint of our own interests.

It is sound sense for the interests and self-respect of Latin America. When we begin to make that our first aim, then we will begin to merit the respect we have not won and cannot buy.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. McKELLAR. The Senator seems to have been an advocate of our South and Central America good-neighbor

policy up to last August. As I understood the reading of the letter, the Senator stated that it made no difference which party came into power, we all upheld the good-neighbor policy.

Mr. BUTLER. Yes.

Mr. McKELLAR. What has caused the Senator to change his mind about the good-neighbor policy which he declared to the South and Central Americans as being good last August, and which he states is not good now?

Mr. BUTLER. Mr. President, I have stated and restated a number of times that I want to be a good neighbor and that I am a firm believer in a genuine good-neighbor policy. It is the administration of that policy and the things that are being done under the cloak of the New Deal good-neighbor policy to which I am taking exception.

Mr. McKELLAR. Mr. President, if that is correct, I wonder what change has taken place. Mr. Hull was the leader, the staunch advocate of the good-neighbor policy. When the Senator wrote him last August, and when the Secretary of State wrote to the Senator last August, both were upholding that policy. Mr. Hull is the same administrator of that policy now that he was then. Why has the change come about in the Senator's view about that policy?

Mr. BUTLER. The very next sentence of my statement will answer the Senator's question.

That, Mr. President, is the crux of the matter. I believe in the good-neighbor policy when it is the instrument of good neighborliness. I do not believe in the good-neighbor New Deal, for that is not an instrument of good neighborliness.

That is not my opinion alone, Mr. President. Let me read the opinion of Marquis Childs, the newspaperman whom I have already quoted. From the capital city of Brazil, Rio de Janeiro, Mr. Childs wrote:

A new phase in the relationship not merely between Brazil and the United States but between North and South America is about to begin. The honeymoon is nearly over. For this reason, perhaps, certain signs of strain and stress are evident that might have been overlooked in the immediate past. For one thing, rivalry between United States agencies—a reflection of the rivalry that prevails in Washington—is more in evidence. \* \* \* The Brazilians are polite but they do not conceal the doubts they feel about the presence of so many Americans in their midst. They refer to the coming of the North Americans as an invasion of friendly paratroopers and they put an ironic inflection on the word "friendly."

This, Mr. President, is not merely the opinion of North Americans. It is an opinion that is increasingly expressed by intelligent Latin Americans. Here, for example, is the testimony of Manuel Seoane. Manuel Seoane is the editor of Chile's leading magazine. After paying tribute as every observer must, to the fact that our good-neighbor enterprise has, as he puts it, "made some progress," he states, in an article in Harper's magazine of last February:

Most of the work accomplished in the past two and a half years has not been satisfactory from the Latin point of view.

Here, again, is the testimony of another distinguished Latin American journalist, Benjamin Subercaseaux. Writing in the *Nation* on last September 11, he said:

We all know that it is easier to build a ship in 10 days than to change a South American into a Yankee in the same length of time. That is why I have been irritated by the standardized, mechanical, and unimaginative applications of the good-neighbor policy. In short, I am so fed up with everything connected with the good-neighbor policy that I am almost sick of this very article as I write it.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. McKELLAR. As I understood, the Senator placed in the *RECORD* a few moments ago a letter from Secretary Hull dated last August, in reply to a letter which the Senator wrote him, enclosing certain clippings.

Mr. BUTLER. Let me correct the Senator. The letter came unsolicited from Secretary Hull, enclosing clippings and quoting a letter which he had received from Ambassador Bowers, who reported to the Secretary on my visit to Chile.

Mr. McKELLAR. Did he send a copy of the letter from Ambassador Bowers?

Mr. BUTLER. He quoted from it.

Mr. McKELLAR. If it is quoted from, that is all right.

Mr. BUTLER. It is in the *RECORD*. I will read it to the Senator again.

Mr. McKELLAR. I hope the Senator will read it again.

Mr. BUTLER. Reading only the part which he quotes from Ambassador Bowers:

Senator BUTLER made an excellent impression here in his contacts with Chileans, in his speech before the Chilean Senate, and in the remarks during a press conference arranged for him by the Embassy.

I think particularly praiseworthy was his statement, made frequently in conversation and in his press conference, that possible change in the administration as a result of future elections would not alter the fundamental policy of the United States of co-operation with South America.

Mr. McKELLAR. The Senator evidently endorsed the policies of the Government with respect to friendly dealings with and good neighborliness toward the South and Central American countries at that time. Otherwise, that letter could not possibly have been written. What I am asking the Senator is, When and for what reason did he change his mind on that subject? The Ambassador says that the Senator made a speech down there endorsing these policies. He endorsed the good-neighbor policy. He endorsed the very policy against which he is now speaking. What caused the Senator to change his mind?

Mr. BUTLER. Mr. President, I do not think I have materially changed my position with reference to the good-neighbor policy. I know a great deal more now about the operation of certain programs and projects which are pretended to be carried on under the cloak of the good-neighbor policy. I still believe in the basic, fundamental principles of the

good-neighbor policy; but the basic, fundamental principles are not what I am talking about today.

Mr. McKELLAR. What country was the Senator visiting at that time?

Mr. BUTLER. Chile.

Mr. McKELLAR. How many countries had the Senator visited when he got to Chile?

Mr. BUTLER. About 10 up to that time.

Mr. McKELLAR. That is about half of them.

Mr. BUTLER. Yes.

Mr. McKELLAR. The Senator should have had some idea of the practices under the good-neighbor policy by that time.

Mr. BUTLER. Oh, yes.

Mr. McKELLAR. For that reason I am wondering why he so thoroughly endorsed the good-neighbor policy before the Chilean Legislature.

Mr. BUTLER. I am still endorsing the fundamental principles of the good-neighbor policy.

Mr. McKELLAR. Did the Senator state to the Chilean Legislature that he endorsed the fundamental principles?

Mr. BUTLER. A copy of the speech which I made is in the *RECORD*. I do not happen to have it before me. It is very brief.

Mr. McKELLAR. I will look at it in the *RECORD*. That will be entirely satisfactory.

Mr. BUTLER. Mr. President, I have quoted from distinguished journalists of Chile. I ask, Is it the principle of good neighborliness that these gentlemen cry out against? Because they do not like what is taking place under the good-neighbor cloak, are we to conclude that they do not want to be good neighbors? Not at all. They are "fed up," they are alarmed, not at the good-neighbor policy itself; they are "fed up" and alarmed at the good-neighbor New Deal.

I have already referred to the December revolution in Bolivia. Bolivia, Mr. President, next to Brazil, is probably the most important country in Latin America in the matter of our war effort. From Bolivia we get great quantities of tin; we get tungsten and antimony and other raw materials needed for the war. If there were any place in Latin America where our good-neighbor policy as currently practiced should have produced neighborly results, Bolivia is the place.

But something else was produced. In the face of our certain victory in the war, and in spite of the outpourings of multiplied millions in that country, Bolivia staged a revolution which threw out its good-neighbor New Deal government and established in its place a government more friendly to the Axis. I do not presume to have an insider's knowledge of the facts about that revolution; but I do say that if our good-neighbor policy, as currently practiced, had been producing genuine good neighborliness, that revolution would not have occurred.

Furthermore, Mr. President, there are signs that Bolivia is no isolated case of hostility toward the United States. There are ominous signs that that feel-

ing is rapidly spreading. Let me read here, the summary printed in *Time* magazine of January 10, a summary which was reached from evidence gathered by *Time's* correspondents throughout Latin America:

Reports were heard of plots in other Latin American countries—Venezuela, Chile, Peru. Some were mere rumors, but it was obvious that a continental current was flowing. The success of the "colonels' clique" in Argentina, if underlined by a similar "major's" clique in Bolivia might encourage further army officer revolts. These might be purely nationalist in origin, not necessarily instigated by outsiders, but they would probably take Fascist forms and look to Argentina for support. Then the United States would be confronted by a powerful anti-democratic bloc within the good-neighbor clique.

Mr. President, I do not presume to have an insider's knowledge of the continental currents to which *Time* refers. But I know that they are not good neighborly currents. I know that if our good-neighbor policy, as currently practiced, were producing good neighborliness they would not be stirring.

In our relations with Latin America, Mr. President, the time is upon us to put an end to deception, and to face the facts. What will it avail us if when democracy has won in the Old World we discover that it has lost in the new? What will it avail us if we make arrangements to keep the peace in the Atlantic and in the Pacific and, meanwhile, fail to make and keep the peace in the Western Hemisphere? Of what good will it be if we make friends of all the world and fail to make friends of our own neighbors?

I do not want to see us go backward. I want to see us go forward. I want to see us go forward with a good-neighbor policy, the fruits of which, through thick and thin, in good times and bad times, are an authentic and bona fide good neighborliness.

Mr. President, I believe that I made it plain during my discourse that the audited and certified reports which I submitted were to be printed in the *RECORD* following my speech. I now ask unanimous consent that they be printed in the *RECORD*.

There being no objection, the reports were ordered to be printed in the *RECORD* as follows:

UNITED STATES GOVERNMENT EXPENDITURES AND COMMITMENTS IN THE LATIN AMERICAN REPUBLICS AND IN POSSESSIONS OF THE UNITED STATES IN THE CARIBBEAN AREA FOR THE YEARS 1942, 1943, AND 1944

(Report to the Honorable HUGH A. BUTLER, U. S. Senate, Washington, D. C.)

WASHINGTON, D. C., January 18, 1944.

The Honorable HUGH A. BUTLER,

United States Senate, Washington, D. C.:

We have examined certain lists, prepared by your office, of expenditures, obligations, commitments, encumbrances, authorizations, loans, and extensions of credit by the United States Government in Latin America and in the Canal Zone, Puerto Rico, and the Virgin Islands for the years 1942, 1943, and 1944.

These items have been listed separately for the Latin American republics and for the possessions of the United States, and the lists have been designated schedule 1 and schedule



2, respectively. Copies of these lists, which are attached hereto, may be summarized as follows:

Schedule 1: South and Central American items and amounts (exclusive of Canal Zone, Puerto Rico, and Virgin Islands).....	\$5,733,953,534
Schedule 2: Canal Zone, Puerto Rico, and Virgin Islands items and amounts not included in the preceding table .....	662,806,970

Total..... 6,396,760,504

Comments, explanations, and other information contained in these schedules were not examined or verified by us.

We hereby certify that the source material referred to in these lists has been examined by us and that the amounts shown are correct according to the source information.

JAMES A. COUNCILOR & Co.,  
Certified Public Accountants.

**SCHEDULE 1.—South and Central American items and amounts (exclusive of Canal Zone, Puerto Rico, and Virgin Islands)**

1. Defense Plant Corporation, capital investment in Latin America.....	\$53,580,850
Source: List supplied by Department of Commerce, transmitted by letter of W. L. Clayton dated Jan. 14, 1944.	
This represents plants built in Latin American countries at United States expense, and no determination of final ownership has been made, as far as is known. This figure represents the actual expenditures made and the commitments made to complete projects authorized as of June 30, 1943.	
2. Defense Supplies Corporation, capital investment in Latin America.....	14,742,353
Source: Same as above.	
This represents expenditures and commitments for establishment of facilities in Latin America other than plants referred to above. The remainder of the comment of item No. 1 applies.	
3. Metals Reserve Company, capital investments in Latin America.....	6,829,615
Source: Same as above.	
Comment of item No. 2 applies.	
4. Rubber Reserve Company and Rubber Development Corporation, capital investments in Latin America.....	54,991,845
Source: Same as above.	
Comment of item No. 2 applies.	
5. Export-Import Bank loans, authorizations, credits extended and commitments.....	778,982,997
Source: Letter over the signature of Jesse Jones, dated Nov. 24, 1943.	
Total authorizations as of June 15, 1943, stood at \$767,153,707. Previously \$65,928,927 has been authorized, extended, and subsequently repaid or refinanced so that no part thereof was outstanding as of June 15, 1943. Thus the over-all credit commitment of the United States through the Export-Import Bank, related to Latin America totaled \$823,082,634. Many of these loans have been made to development corporations of Latin American countries. They range in purpose from financing steel mills and other industrialization programs to financing handicraft projects and hat-manufacturing aid. However, the documented figure used, though smaller, is from the letter from Jesse Jones described above.	
6. The Department of State, for cooperation with American republics, fiscal 1942, 1943, and 1944.....	8,385,300
Source: The Budget, 1944, p. 619 and subsequent.	
These items are the appropriation figures as shown in the Budget (1944). They do not include the State Department expenses for the diplomatic staffs in Latin American countries and other State Department normal peacetime activities in Latin America.	
7. Commodity Credit Corporation commitments, completed purchases, loans on commodities.....	436,580,000
Source: Tabulation submitted by J. B. Hutson, President of the Com-	

modity Credit Corporation, transmitted by letter, dated Dec. 11, 1943, which tabulation shows total loans and commitments for fiscal 1943 and fiscal 1944.

Due to discrepancies in reports from Government agencies, the overall exact amount is not believed to be reflected in this figure. It should be noted that the date given is July 31, 1943. Thus, if the figure were known of purchases made and commitments made since Aug. 31, 1943, the total reflected to the left would be higher. Also, under date of Nov. 24, 1943, in a letter, C. G. Garman, Acting Director of Finance of the Department of Agriculture, states that, "... obligations for the fiscal year 1943 are now estimated at \$175,796,000," and he states, "obligations for the first half of fiscal year 1944 are now estimated roughly at \$107,465,000." These two figures total \$283,261,000. He does not show the purchases and commitments of 1942, nor for the other half of fiscal 1944, nor the commitments. Thus, taking the reported figure of \$289,755,711, completed transactions admitted as of Aug. 31, 1943, and adding the \$107,465,000 for fiscal 1944 (still omitting the figure commitments) the total would be \$397,220,711. Further, if purchases for the last half of fiscal 1944 were to be added plus all commitments for the future, it is obvious that the total would be still higher. No criticism of purchases of Latin American commodities is intended except only insofar as premium prices which cost the United States Government needless sums are involved.

**8. Reconstruction Finance Corporation, subsidiary purchases in Latin America.....**

Source: Letter dated Nov. 24, 1943, signed by Jesse Jones, Secretary of Commerce, which states: "The R. F. C. and its subsidiaries have expended \$1,001,361,060 through Oct. 31, 1943, for purchases in Latin America."

The other \$1,000,000,000 is supported by a letter from Jesse Jones, Secretary of Commerce, to Senator McKellar, dated Dec. 8, 1943, which states: "The commitments growing out of our over-all agreements are necessarily open end and in their nature, it is impossible to make an accurate estimate of what they will aggregate, but the figure of \$1,000,000,000 that I gave Senator BUTLER will, I am sure be sufficient to cover it." (See CONGRESSIONAL RECORD, Dec. 13, 1943, p. 10579 and p. 10571 note.)

No criticism of these expenditures is intended insofar as they were made for the purchase of essential supplies. However, operating under the former B. E. W. directives, the R. F. C. was forced to purchase supplies in Latin America at inordinately high premium prices which have cost the U. S. Government needless sums. This over-all \$2,000,000,000 of purchases and commitments is shown for the specific reason to permit investigation of the sum as a whole, in order to determine the amount of needless loss caused to the U. S. Government in this immense procurement program. Mr. Jesse Jones himself has cautioned against such loss and pointed out in annual reports which he has filed for his agencies, the loss which the premium-price-purchase procedure is causing. This is particularly reflected in the R. F. C. annual report, December 1942.

**9. Office of Coordinator of Inter-American Affairs, expenditures, commitments, contractual authorizations, corporation capitalization authority and interagency fund transfers.....**

Source: Hearings before House subcommittee of Committee on Appropriations, p. 171, table inserted by Nelson Rockefeller showing total expenditures up to Apr. 19, 1943, \$75,218,000. Appropriation for Office of the Coordinator of Inter-American Affairs, fiscal 1944, Public Law No. 139, 78th Cong., p. 9, appropriation direct \$30,735,000 and in addition contract authorization of \$18,000,000. Funds authorized to be allocated from O. E. M. available for the use of the Coordinator of Inter-American Affairs \$69,919,000 (unrestricted), 55 Stat. 813. Coordinator of Inter-American

Affairs, with power to create and capitalize corporations, O. E. M., \$28,638,000 (additional), Stat. 56, p. 708. Coordinator of Commercial and Cultural Relations between the American Republics (O. E. M.) \$1,600,000 (additional), Stat. 55, p. 543. Contract authorization of Coordinator \$3,000,000 (additional), Stat. 55, p. 543. Coordinator of Inter-American Affairs with power to create and capitalize corporations (O. E. M.) \$5,000,000 (additional), Stat. 56, p. 906.

The total over-all expenditures and commitments by the Coordinator's office, as shown by the detailed explanation above, should properly include all figures presented since the completed expenditures, as evidenced by the hearings table alone, were \$75,218,000. Thus, the fiscal 1944 appropriations and the transfers from O. E. M. must be included to arrive at the over-all total reflected to the left. Further any inference that such expenditures have not been made, or the funds not obligated, would be erroneous, since the Treasurer's report shows none of these funds as "Unexpended balances."

10. Gold and silver purchases from Mexico:	
For first quarter of 1942.....	\$34,260,000
For first quarter of 1943.....	5,915,000
Gold and silver purchases from Peru:	
For first quarter of 1942.....	4,567,000
For first quarter of 1943.....	2,800,000
Source: Office of Coordinator of Inter-American Affairs release, Inter-American Economic News, No. 64, p. 3, August 1943.	
These are in the form of agreements and/or purchases from the countries named. Attention should be directed to them because the United States mines have been closed down or their operations greatly curtailed while at the same time purchases for other countries are being made which means an income to them from the U. S. Treasury. These are from only 2 Latin American countries for only 2 quarters. When the Treasurer's 1943 report is released the total may be reflected as much greater.	
11. United States stabilization fund agreement provided use of:	
For Mexico.....	40,000,000
For Ecuador.....	5,000,000
Source: U. S. Treasury, Annual Report, fiscal 1942, p. 42.	
12. U. S. Bureau of Mines transfer to Interdepartmental Committee on Cooperation with the American Republics for Technical Aid:	
Mining, 1943.....	58,000
U. S. Bureau of Mines, 1942.....	50,000
Source: Letter dated Nov. 27, 1943, from U. S. Bureau of Mines signed by R. R. Sayers.	
13. United States defrayed costs of U. S. Department of Agriculture for experimental station in Ecuador through Ecuadorian corporation, Oct. 20, 1942, including recreational facilities, tennis courts, and swimming pool.....	75,000
And loan to Ecuadorian corporation for same (plus salaries of scientists and supplies for station).....	150,000
Source: Stat. 56, p. 1792.	
14. U. S. Department of Interior, Geological Survey Department, expense in Latin America.....	300,390
Source: Letter dated Dec. 8, 1943, from U. S. Department of Interior signed by Thomas B. Nolan.	
15. Inter-American Radio Office.....	17,000
Source: The Budget, June 30, 1944, p. 615.	
16. Inter-American Trademark Bureau.....	42,000
Source: The Budget, June 30, 1944, p. 615.	
17. Pan American Institute of Geography and History.....	30,000
Source: The Budget, June 30, 1944, p. 615.	
18. Inter-American Coffee Board.....	30,000
Source: The Budget, June 30, 1944, p. 615.	
19. Inter-American Indian Institute.....	13,000
Source: The Budget, June 30, 1944, p. 615.	
20. Inter-American Statistical Institute.....	58,000
Source: The Budget, June 30, 1944, p. 615.	
21. Direct contributions to Republic of Panama, 1942, 1943, 1944.....	1,290,000
Source: The Budget, June 30, 1944, p. 615.	

22. Contribution to Pan American Sanitary Bureau, 1942, 1943, 1944. Source: The Budget, June 30, 1944, p. 615.	\$180,000				
23. Contribution to Pan American Union, 1942, 1943, 1944. Source: The Budget, June 30, 1944, p. 615.	779,600				
24. Mexican fishery mission. Source: The Budget, June 30, 1944, p. 620.	28,200				
25. Foreign inter-American expenditure to record folk music in other American republics. Source: The Budget, June 30, 1944, p. 620.	12,500				
26. Survey of collections of Latin-American music and preparation of bibliographies of Latin American music. Source: The Budget, June 30, 1944, p. 620.	10,900				
27. Preparation of transcripts for radio broadcasts in Spanish and Portuguese. Source: The Budget, June 30, 1944, p. 620.	3,000				
28. Guide to official publications of Latin America. Source: The Budget, June 30, 1944, p. 620.	29,000				
29. Law guide and center of Latin-American legal studies. Source: The Budget, June 30, 1944, p. 620.	37,000				
30. Preparation of a handbook of the South American Indians. Source: The Budget, June 30, 1944, p. 620.	35,993				
31. Eighth Pan-American Child Congress. Source: The Budget, June 30, 1944, p. 621.	13,979				
32. International Committee on Political Refugee Settlement Aid of Immigrants of Other Countries to Latin America. Source: The Budget, 1944, p. 621.	17,079				
33. Second Inter-American Travel Congress. Source: The Budget, June 30, 1944, p. 622.	3,500				
34. Fourth Pan-American Highway Congress. Source: The Budget, June 30, 1944, p. 622.	6,500				
35. Total Department of Agriculture appropriations for rubber projects in Latin America. This amount does not include the sum of \$2,000,000 authorized to be paid to the Inter-Continental Rubber Co. for its rights, properties, and facilities, and the rights, properties, and facilities of its subsidiaries (56 Stat. 127). This is presumed, therefore, to exclude all expenditures in the United States and cover only those for Latin America, thus the known expenditures in California are excluded. Sources: Western Hemisphere rubber projects, U. S. Department of Agriculture; For necessary expenses incident to the planting of guayule and other rubber-bearing plants in areas throughout the Western Hemisphere, where the best growths and yields may be expected; for leasing, construction of buildings, and plants; for studies, surveys, and tests, including the employment of aliens and the use of motor equipment for the transportation of laborers from points of assembly to the sites of projects and return and other expenses, \$4,200,000 (56 Stat. 240). Western Hemisphere rubber projects, U. S. Department of Agriculture; For the same purpose, additional amount, \$8,235,000 (56 Stat. 596). Western Hemisphere rubber projects, U. S. Department of Agriculture; For the same purposes, additional amount, \$19,000,000 (56 Stat. 1002). Western Hemisphere rubber projects, U. S. Department of Agriculture; For the same purposes, additional amount, \$13,048,000 (Public Law 129, 78th Cong.).	44,483,000				
36. Total contributions, expenditures, loans, grants, and costs defrayed by United States in connection with Inter-American Highway system equals \$212,000,000. This does not include \$49,200,000 of Export-Import Bank loans for the Inter-American Highway. Source: The Budget, 1944, p. 190; the Budget, 1944, p. 701.	212,000,000				
37. Federal Loan Administrator's Allocation for eliminating Axis control from Latin American air lines. Source: Report of the Secretary of Commerce covering the activities of the Reconstruction Finance Corporation and its subsidiaries in connection with the war, as of Oct. 31, 1942 (RFC-1710, Dec. 15, 1942, p. 10).					
38. Costs of movement of Latin-American sugar to United States defrayed by Defense Supplies Corporation. Source: Same as above, p. 10.	\$30,000,000				
39. Appropriation by Defense Supplies Corporation for training citizens of other American republics as aviation pilots and technicians. Source: Same as above, p. 11.	1,488,000				
40. Lend-Lease Administration: Total shipments to Latin America. Source: Substantiation of this total is found in the thirteenth report to Congress on Lend-Lease operations for period ended Nov. 30, 1943, showing at p. 36, Lend-Lease Shipments to Latin America. Under column 6 of Lend-lease exports, column headed "Other." All other known zones where lend-lease aid has been distributed have been included under other preceding columns. Thus, the total of \$484,000,000 for lend-lease exports should be applicable to Latin America. In addition, Mr. East, of the Lend-Lease Administration, stated that these exports as reflected in this table run approximately 50 percent behind the authorizations of lend-lease for the nations to whom commitments have been made. Thus, on that basis, lend-lease aid to Latin America may be computed, by the process of reason as \$800,000,000 or more. Further, Mr. East stated that the figures shown in this table do not include that lend-lease aid which comes from the Army and Navy appropriations which are authorized for lend-lease use. In other words, this portion of lend-lease aid is only that portion which comes from the lend-lease appropriations, i. e., the \$18,410,000,000 of direct lend-lease appropriations. The other two appropriation sources are (a) the Navy (b) the Army. See Lend-Lease report of Dec. 31, 1942.	116,543,000				
41. Rubber Development Corporation: Expenditures for rubber acquisition program and collateral facilities attendant thereto. Source: Statement made by Douglas H. Allen, president, Rubber Development Corporation, before Gillette committee of the U. S. Senate, in response to a request "for information concerning the procurement of rubber from South America, and the expenditures connected therewith," transmitted by letter from Jesse H. Jones, Secretary of Commerce, dated December 13, 1943, \$83,040,998; less \$54,993,845 shown in item 4 as capital investments. Thus, net additional expenditures by Rubber Development Corporation.	28,047,153				
42. Funds for Government payment of losses re Latin American shipments. Source: The Budget, p. 638.	150,000				
43. Bureau of Foreign and Domestic Commerce: Estimate—1942. Estimate—1943. Estimate—1944. Source: Estimate from Budget items; the Budget, 1944, p. 375.	1,403,230 1,423,000 1,409,000				
44. U. S. Government expenditure for rehabilitation of Mexican railways. Source: CONGRESSIONAL RECORD, Dec. 13, 1944, p. 10593.	7,500,000				
45. Promotion of Inter-American cultural relations. Source: Stat. 56, p. 479.	1,685,000				
46. War Manpower Commission: Expenditures in Latin America for labor recruiting. Source: Letter signed by Paul V. McNutt, Chairman, War Manpower Commission, Office for Emergency Management, dated Dec. 13, 1943.	13,147				
47. Petroleum Administrator for War. Source: Letter signed by Ralph K. Davies, Deputy Petroleum Administrator, Petroleum Administration for War, dated Dec. 10, 1943.	122,900				
48. Department of Commerce, Civil Aeronautics Administration: Expenditures and commitments in connection with Latin American construction projects and training courses, fiscal year 1943. Source: Letter, Dec. 11, 1943, from C. I. Stanton, Administrator.	81,000				
49. Civil Aeronautics Board, Latin American Aid: Fiscal year 1942. Fiscal year 1943. Source: Letter of Dec. 3, 1943, from Edward Warner, Acting Chairman, Civil Aeronautics Board.	528 138				
50. Expenditures and/or authorizations of War Department funds in Latin America: (a) Construction of airfields, materials, labor, and supervision. (b) Personal services other than construction. (c) Military matériel. (These amounts are for the fiscal years 1942, 1943, and 1944.) Source: Letter of Dec. 10, 1943, from Henry L. Stimson, Secretary of War, CONGRESSIONAL RECORD of Dec. 13, 1943, at p. 10588.	\$346,134,000 5,857,000 125,000,000				
51. Navy Department, Bureau of Yards and Docks: Total public works authorized for Central and South America. Source: Letter of Nov. 22, 1943, from Rear Admiral B. Moreell.	292,964,340				
52. Naval aid to the American Republics. Source: Statement in communication from Secretary Knox to Senator McKellar, CONGRESSIONAL RECORD; Dec. 13, 1943, p. 10587. (This does not duplicate other items but is direct expenses by the Navy, according to the statement in the CONGRESSIONAL RECORD by Secretary Knox, which is as follows: "Current expenses of the U. S. Navy in other American republics during the fiscal years 1941-43 amounted to \$24,021,000. This figure includes expenditures as reported by disbursing officers located ashore throughout the American republics, including Guantanamo, approximately \$13,000,000; Rio de Janeiro, approximately \$4,000,000; Recife, approximately \$1,500,000. The figure does not include maintenance and operating expenses of fleet units operating in and around the other American republics.")	24,021,000				
53. U. S. Department of Agriculture, expenditures for programs in Latin American republics: Fiscal year 1942. Fiscal year 1943. Fiscal year 1944 (estimated). Source: Letter of Dec. 11, 1943, from Claude R. Wickard, Secretary of Agriculture.	270,000 288,000 379,000				
54. U. S. Department of Agriculture, Office of Foreign Agricultural Relations—Subsidies to United States exporters to encourage shipment of cotton, wheat, and flour to Latin America: Fiscal year 1942. Fiscal year 1943. Fiscal year 1944. Source: Letter of Dec. 11, 1943, from Claude R. Wickard, Secretary of Agriculture, to Senator Butler.	4,820,000 6,554,000 0				
55. Naval station, Guantanamo, Cuba: Additional fleet operating facilities, bomb-proof shelters for communication and personnel, and limited ship repair facilities. Source: 55 Stat. 36. These amounts do not include sums advanced by the Commodity Credit Corporation, Lend-Lease Administration, State Department, and the Office of the Coordinator of Inter-American Affairs. NOTE.—Letter addressed to Senator McKellar, p. 10593, Congressional Record, has omitted part of the information, thus a different total.	5,747,500				
56. Guantanamo, Cuba: Additional hospital facilities, buildings, and accessories and quarters for corpsmen and nurses. Source: 55 Stat. 39.	610,000				
57. Guantanamo, Cuba: Additional fleet operation facilities, bomb-proof shelters for communication and personnel, ship repair facilities. Source: 55 Stat. 40.	5,747,500				
58. British Guiana, Trinidad, Jamaica, Antigua, St. Lucia, and Bahama Islands: Aviation facilities, including buildings and accessories. Source: 55 Stat. 51.	66,050,000				
59. Guantanamo, Cuba: Additional hospital facilities, including buildings and accessories, quarters for corpsmen and nurses. Source: 55 Stat. 52.	610,000				
60. Guantanamo, Cuba; improvement of power plant. Source: 55 Stat. 164.	120,000				
61. Convention for the Promotion of Inter-American Cultural Relations. Source: 55 Stat. 272.	100,000				
62. International Boundary Commission, United States and Mexico, Rio Grande rectification and canalization projects. Source: 55 Stat. 273.	200,000				



63. Lower Rio Grande flood-control projects; construction, acquiring of easements. Source: 55 Stat. 274.	\$950,000	penses while traveling in the Western Hemisphere, of Army officers and military students of the other American republics. Source: 56 Stat. 628.	\$500,000	governments to the United States, the accrued and unpaid interest thereon and payments on account of principal and interest as of Nov. 15, 1942.	\$12,455,327
64. Rio Grande canalization project, including reconstruction or replacement of certain bridges. Source: 55 Stat. 274.	440,000	87. Mexico, for the enforcement of foreign plant quarantines for cotton and cottonseed for Mexico, including inspection, cleaning, disinfection of railroad cars, vehicles, freight, express, baggage, construction and repair of buildings, plants and equipment for the fumigation, disinfection and cleaning of products, railroad cars and other vehicles. Source: 56 Stat. 686.	719,550	98. War Shipping Administration defense aid, allocations and obligations to Brazil. Source: Schedule B, following p. 62, hearings before the subcommittee of the Committee on Appropriations, 78th Cong., supplemental appropriations bill.	2,143,500
65. Mexico, for the control and prevention of spread of the Mexican fruit fly, including necessary surveys and control operations in Mexico, in cooperation with the Mexican Government and local Mexican authorities. Source: 55 Stat. 427.	167,960	88. American-Mexican Claims Commission, salaries of 3 members. Source: 56 Stat. 1058.	30,000	99. Foreign Economic Administration expenditures in Latin America. Source: Statement from Foreign Economic Administration included in Senator McKellar's table of Latin American expenditures, p. 10571, CONGRESSIONAL RECORD, Dec. 13, 1943.	3,522,000
66. Inter-American Travel Congress (Second). Source: 55 Stat. 561.	3,500	89. Purchases of the Cuban sugar crop for the years 1942, 1943, 1944. Source: Oral statement of Dr. Bernhard, Sugar Administrator, Department of Agriculture. This oral statement is supported by the written communication from J. B. Hutson, president of the Commodity Credit Corporation, to Senator McKellar, dated Dec. 11, 1943, which appears in the Dec. 13, 1943, issue of the CONGRESSIONAL RECORD at p. 10594.	592,000,000	100. Total amount spent in Ecuador on our troops and on our air base on the islands nearby. Source: Statement in CONGRESSIONAL RECORD, p. 10574; statement by Senator McKellar in CONGRESSIONAL RECORD, Dec. 13, 1943.	1,400,000
67. Mexico, Agrarian Claims Commission, United States and Mexico, expenses of participation on account of expropriations of agrarian properties. Source: 55 Stat. 562.	15,000	90. Trinidad, development of protected fleet anchorage, collateral items, construction. Source: 55 Stat. 38.	5,100,000	101. Investigation and survey of Canaland highway across Republic of Nicaragua. Source: The Budget, 1944, p. 673.	9,709
68. Guantanamo, Cuba, additional ammunition storage facilities, including buildings and accessories. Source: 55 Stat. 661.	286,000	91. Trinidad, fleet anchorage, including buildings and facilities. Source: 55 Stat. 677.	15,000,000	102. First Inter-American Congress on Indian Life. Source: The Budget, 1943, p. 845.	425
69. Guantanamo, Cuba, additional radio facilities, including buildings and accessories. Source: 55 Stat. 663.	210,000	92. Panama, to enable the Secretary of the Treasury to pay to the Republic of Panama an amount equivalent to the principal paid by that Government on account of the credit of \$2,500,000. Made available to it by the Export-Import Bank for the construction of Panama's share of the Chorrera-Rio Hato Highway, and to pay to the Export-Import Bank an amount sufficient to liquidate the remaining obligation of the Republic of Panama to that bank on account of the aforesaid credit. Source: Public Law No. 48, 78th Cong.	2,700,000	103. Eighth Pan-American Child Congress, San Jose, Costa Rica. Source: The Budget, 1943, p. 845.	13,979
70. Guantanamo, Cuba, Naval Station, Guantanamo, Cuba, 2 swimming pools. Source: 55 Stat. 672.	100,000	93. Mexico, fence construction along boundary, United States and Mexico, International Boundary Commission, United States and Mexico. Source: 56 Stat. 477.	15,000	104. Fourth Pan-American Highway Congress. Source: The Budget, 1943, p. 843.	6,500
71. Guantanamo, Cuba, additional ammunition storage facilities, including buildings and accessories. Source: 55 Stat. 676.	286,000	94. Office of Coordinator of Inter-American Affairs, American Navigation Corporation (an Office of Coordinator of Inter-American Affairs corporation, incorporated in Delaware on July 15, 1942), United States capital investment on Nov. 30, 1943. Source: Monthly financial statement of corporation filed with U. S. Treasury pursuant to Budget Treasury Regulations No. 2, issued under Executive Order 8512, as amended by Executive Order 9084, Nov. 30, 1943.	500,000	105. Second Inter-American Travel Congress. Source: The Budget, 1943, p. 843.	3,500
72. Guantanamo, Cuba, additional radio facilities, including buildings and accessories. Source: 55 Stat. 678.	210,000	95. Office of Coordinator of Inter-American Affairs, Inter-American Educational Foundation (an Office of Coordinator of Inter-American Affairs corporation, incorporated in Delaware, Sept. 25, 1943, United States capital investment on Nov. 30, 1943. Source: Monthly financial statement of this corporation filed with U. S. Treasury pursuant to Budget Treasury Regulations No. 2, issued under Executive Order 8512, as amended by Executive Order 9084, Nov. 30, 1943.	800,000	106. Convention for the Promotion of Inter-American Cultural Relations, 1943 and 1944. Source: The Budget, 1944, p. 621.	200,000
73. American-Mexican Claims Commission "necessary expenses". Source: Public Law No. 11, 78th Cong.	700,000	96. Office of Coordinator of Inter-American Affairs, Institute of Inter-American Affairs (an Office of Coordinator of Inter-American Affairs Corporation, incorporated in Delaware, Mar. 30, 1942), United States capital investment on Nov. 30, 1943. Source: Monthly financial statement of this Corporation filed with U. S. Treasury pursuant to Budget Treasury Regulations No. 2, issued under Executive Order 8512, as amended by Executive Order 9084, Sept. 30, 1943.	17,000,000	107. Preparation of Inter-American Treasury Bulletin. Source: The Budget, 1943, p. 842.	20,000
74. International Boundary Commission, United States and Mexico, additional amount for salaries and expenses. Source: Public Law No. 11, 78th Cong.	300,000	97. Principal of the funded and unfunded indebtedness of Latin American		108. Direct appropriations for export subsidies on cotton products, wheat and wheat flour exported to all South and Latin American republics. Source: Letter dated Dec. 11, 1943, to Senator McKellar, signed by J. B. Hutson, president of Commodity Credit Corporation. Document in CONGRESSIONAL RECORD of Dec. 13, 1943, p. 10593; appropriation reference, P. L. No. 320, sec. 32, 74th Cong., 7 U. S. C. 6120.	10,120,070
75. Inter-American Financial and Economic Advisory Committee. Source: Public Law No. 79, 78th Cong.	23,000			109. Salaries of only 17 Federal agencies' employees in Latin America. Source: Table and letter from Arthur S. Fleming, Commissioner of U. S. Civil Service Commission, dated Jan. 14, 1944; shows \$7,701,815 per year.	23,105,445
76. Emergency Advisory Committee for Political Defense, American Republics. Source: Public Law No. 80, 78th Cong.	105,560			110. Contribution to improve the food supply of northern Brazil, 2-year contribution by the Institute of Inter-American Affairs. Source: O. C. I. A. A. Inter-American Economic News, No. 32, Dec. 1942, p. 7, line 13.	2,000,000
77. Mexico, International Boundary Commission, United States and Mexico, salaries and expenses. Source: Public Law No. 105, 78th Cong.	290,000			111. Commitment for Future by Rubber Reserve Company for development of rubber reserves in Bolivia. Source: Page 28, Foreign Commerce Weekly, Aug. 8, 1942, column 3. This is a commitment for the future as contrasted with completed examination.	2,125,000
78. War Department, Inter-American relations for expenses to Secretary of War to promote better relations with other American countries, including transportation and subsistence expenses of Army officers and military students of the other American countries. Source: Public Law No. 168, 78th Cong.	500,000			112. Building new embassies and residences in Latin America: 1942..... 1943..... 1944..... Alterations and repairs, 3 years. Source: Letter dated Jan. 11, 1944, from Department of State, signed by Secretary of State, Cordell Hull.	305,785 376,085 427,990 90,000
79. Department of State, International Boundary Commission, United States and Mexico. Source: Public Law No. 132, 78th Cong.	21,800			113. Rents paid and heat, light, and fuel for Foreign Service in Latin America. Source: Tables transmitted by letter dated Jan. 11, 1944, signed by Secretary of State, Cordell Hull.	192,292
80. Mexico, Rio Grande canalization. Source: Public Law No. 132, 78th Cong.	16,200			114. Loss on purchase of \$1,000,000 worth of Brazil nuts by Foreign Economic Administration from Brazil. Source: Letter from Leo T. Crowley, Administrator of Foreign Economic Administration to Senator Kenneth McKellar, document in CONGRESSIONAL RECORD, Dec. 13, 1943, p. 10586, col. 2.	750,000
81. Inter-American Statistical Institute. Source: 56 Stat. 20.	35,000			115. State Department, obligations for salaries and allowances in the	
82. Mexico, Boundary Commission, United States and Mexico. Source: 56 Stat. 476.	239,600				
83. Mexico, Public Works projects under International Boundary Commission, United States and Mexico, including lower Rio Grande flood control project. Source: 56 Stat. 476.	949,460				
84. Mexico, Douglas-Aguia Prieta sanitation project, International Boundary Commission, United States and Mexico. Source: 56 Stat. 477.	90,000				
85. Mexico, International Boundary Commission, United States and Mexico, additional amount for salaries and expenses Rio Grande rectification and canalization projects. Source: 56 Stat. 600.	50,000				
86. War Department, Inter-American Relations for expenses necessary to promote better relations with other American Republics, including transportation and subsistence ex-					

Foreign Service of the Department of State (regular and auxiliary) in Central and South America for the years (fiscal) 1942 and 1943. This amount is exclusive of office rent, operating expense, travel, etc. Source: Letter to Senator BUTLER from G. Howland Shaw, Assistant Secretary of State, Jan. 17, 1944.

Total..... 5,733,953,534

**SCHEDULE 2. Canal Zone, Puerto Rico, and Virgin Islands items and amounts not included in the preceding table**

**Item No.**

1. Securities of the Panama Railroad held by the U. S. Government.....	\$7,000,000
Source: P. 598, U. S. Treasury Annual Report Fiscal 1942.	
2. Capital stock, Puerto Rico Cement Corporation.....	1,219,600
Source: P. 599, U. S. Treasury Annual Report Fiscal 1942.	
3. Sanitation, Canal Zone, Panama Canal:	
1942.....	1,024,223
1943.....	2,157,000
1944.....	1,546,000
Source: The Budget, June 30, 1944, p. 687; and the Budget for 1943 for the 1942 expenditures, p. 958.	
4. Maintenance and operation of Panama Canal:	
1942.....	22,713,086
1943.....	47,034,637
1944.....	6,016,000
Source: The Budget, June 30, 1944, p. 678; and the Budget for 1943 for the 1942 expenditures, p. 948.	
5. Panama Canal construction costs largely for pay roll to Panamanians and Costa Ricans employed on the project:	
1942.....	1,111,569,000
1943.....	107,516,810
Source: Stat. 55, p. 829; Stat. 56, p. 224.	
6. Administration of Sugar Act of 1937, United States subsidy and expense of administration of Sugar Act of 1937 for benefit of Cuban, Puerto Rican, and other Latin American countries' sugar-production aid and quota maintenance:	
1942.....	47,962,910
1943.....	47,462,910
1944.....	63,883,060
Source: Tabulation of Items in the Budget of the U. S. Government for the fiscal year ending June 30, 1944, p. 303.	
7. Hospital care, Canal Zone garrisons..	335,000
Source: Stat. 55, p. 126.	
8. Naval operating base, Balboa, fleet operating and repair facilities, including buildings and accessories, Balboa and Cristobal.....	2,765,000
Source: Stat. 55, p. 37.	
9. Charlotte Amalie, V. I., submarine base and operating facilities, including buildings and accessories, and acquisition of land.....	1,270,000
Source: Stat. 55, p. 37.	
10. Balboa, submarine operating facilities, including buildings and accessories, piers, and dredging.....	1,855,000
Source: Stat. 55, p. 37.	
11. Coco Solo, submarine base and operating facilities, including buildings and accessories.....	1,010,000
Source: Stat. 55, p. 37.	
12. San Juan, P. R., surface craft operating facilities, including buildings and accessories, berthing and housing for personnel, and acquisition of land.....	737,500
Source: Stat. 55, p. 37.	
13. Vieques, Puerto Rican area, fleet operating facilities, fleet anchorage, breakwaters, dredging, repair facilities, buildings, accessories, and acquisition of land.....	35,000,000
Source: Stat. 55, p. 37.	
14. Coco Solo, additional aviation facilities, including buildings and accessories.....	450,000
Source: Stat. 55, p. 37.	

<sup>1</sup> The figures for the Panama Canal are included for the reason that over \$200,000,000 have been expended, the majority of which expenditure is for construction and the pay rolls for this construction revert principally to the people of Panama and Costa Rica. Since the money thus goes to support the economy and means substantial income to the people of Panama and Costa Rica it is obvious that additional spending for nonwar purposes by such agencies as the Coordinator's office are neither necessary to the bolstering of their economy nor justifiable as additional welfare expenditures from the U. S. Treasury in wartime.

15. San Juan, P. R., additional aviation facilities, including buildings and accessories and breakwater.....	\$1,575,000
Source: Stat. 55, p. 38.	
16. Balboa, development of temporary hospital facilities, including buildings and accessories.....	500,000
Source: Stat. 55, p. 39.	
17. Coco Solo, extension of hospital facilities, including buildings and accessories.....	700,000
Source: Stat. 55, p. 39.	
18. San Juan, P. R., naval hospital quarters for nurses and corpsmen.....	85,000
Source: Stat. 55, p. 39.	
19. Puerto Rico, acquisition, improvements, and development of dry dock, including berthing and repair facilities.....	2,500,000
Source: Stat. 55, p. 40.	
20. Puerto Rico, bomb-proofing communication centers, bomb-proof shelters for personnel, recreational facilities, and acquisition of land.....	650,000
Source: Stat. 55, p. 40.	
21. Canal Zone, bomb-proofing communication centers, bomb-proof shelters for personnel, quarters for officers, and recreational facilities.....	1,340,000
Source: Stat. 55, p. 40.	
22. San Juan, P. R., quarters and accessories for bachelor officers.....	\$200,000
Source: Stat. 55, p. 48.	
23. Charlotte Amalie, V. I., additional aviation facilities, including buildings and accessories and equipment.....	1,281,000
Source: Stat. 55, p. 48.	
24. Puerto Rico, additional aviation facilities, buildings and accessories and breakwater.....	972,000
Source: Stat. 55, p. 48.	
25. Balboa, fleet operation and repair facilities, buildings and accessories, Balboa and Cristobal.....	2,765,000
Source: Stat. 55, p. 50.	
26. Charlotte Amalie, V. I., additional submarine operating facilities, including buildings and accessories.....	1,270,000
Source: Stat. 55, p. 50.	
27. Coco Solo, additional submarine operating facilities, including buildings and accessories.....	1,010,000
Source: Stat. 55, p. 50.	
28. San Juan, P. R., surface craft operating facilities, including buildings and accessories, berthing and housing for personnel.....	737,500
Source: Stat. 55, p. 50.	
29. Vieques, Porto Rico area, fleet operating facilities and anchorage, including breakwaters, dredging, repair facilities, buildings, and accessories.....	5,000,000
Source: Stat. 55, p. 50.	
30. Coco Solo, additional aviation facilities, including buildings and accessories.....	450,000
Source: Stat. 55, p. 50.	
31. San Juan, P. R., additional aviation facilities, including buildings and accessories and breakwater.....	1,575,000
Source: Stat. 55, p. 51.	
32. Balboa, development of temporary hospital facilities, including buildings and accessories.....	500,000
Source: Stat. 55, p. 52.	
33. Coco Solo, extension of hospital facilities, including buildings and accessories.....	700,000
Source: Stat. 55, p. 52.	
34. San Juan, P. R., quarters for nurses and corpsmen.....	85,000
Source: Stat. 55, p. 52.	
35. Puerto Rico, acquisition, improvement, development of Puerto Rico drydock, including berthing and repair facilities.....	2,500,000
Source: Stat. 55, p. 53.	
36. Puerto Rico, bombproofing communication centers, bombproof shelters for personnel, and recreational facilities.....	650,000
Source: Stat. 55, p. 53.	
37. Canal Zone, bombproofing communication centers, bombproof shelters for personnel, quarters for officers, and recreational facilities.....	1,340,000
Source: Stat. 55, p. 53.	
38. Virgin Islands, defraying deficits in treasuries of municipal governments, in the Virgin Islands, additional amount because of excess of current expenses over current revenues.....	58,433
Source: Stat. 55, p. 69.	
39. Coco Solo, submarine public works shop.....	100,000
Source: Stat. 55, p. 164.	
40. Coco Solo, submarine transit shed and accessories.....	166,000
Source: Stat. 55, p. 164.	
41. Coco Solo, extension of roads, walks, and services.....	244,000
Source: Stat. 55, p. 166.	
42. Coco Solo, extension of storehouse....	\$130,000
Source: Stat. 55, p. 166.	
43. San Juan, P. R., landing-field improvements.....	300,000
Source: Stat. 55, p. 166.	
44. San Juan, P. R., additional parking areas.....	255,000
Source: Stat. 55, p. 166.	
45. San Juan, P. R., extension of barracks and mess hall.....	350,000
Source: Stat. 55, p. 166.	
46. San Juan, P. R., additional bachelor quarters.....	200,000
Source: Stat. 55, p. 167.	
47. San Juan, P. R., additional aviation facilities, including buildings, accessories, and breakwaters, and acquisition of land.....	972,000
Source: Stat. 55, p. 167.	
48. Charlotte Amalie, additional aviation facilities, including buildings and accessories and equipment, and acquisition of land.....	1,241,000
Source: Stat. 55, p. 167.	
49. Puerto Rico, graving drydock and accessory construction, Caribbean area.....	7,500,000
Source: Stat. 55, p. 167.	
50. District Court of the Panama Canal Zone, for salaries of officials and employees of the District Court of the United States, Panama Canal Zone.....	26,000
Source: Stat. 55, p. 299.	
51. Government of the Virgin Islands, for salaries of the Governor and employees, traveling expenses of officers and employees, other expenses.....	150,075
Source: Stat. 55, p. 359.	
52. Government of the Virgin Islands, for salaries and expenses of agricultural experiments taken and vocational schools in the Virgin Islands.....	45,650
Source: Stat. 55, p. 359.	
53. Government of the Virgin Islands, for defraying the deficits in the treasuries of the municipal government because of excess of current expenses over current revenues.....	120,000
Source: Stat. 55, p. 359.	
54. Puerto Rican hurricane relief, expenses to continue collection and administration of money due the United States on account of loans made and to make compositions and adjustments on loans—administrative expenses.....	20,000
Source: Stat. 55, pp. 359-360.	
55. Puerto Rico, to coordinate the agricultural experiment station work.....	50,000
Source: Stat. 55, p. 412.	
56. Puerto Rico, to enable the Secretary of Agriculture to establish and maintain an agricultural experiment station in Puerto Rico, including the erection of buildings, the preparation, illustration, and distribution of reports and bulletins.....	83,000
Source: Stat. 55, p. 413.	
57. Puerto Rico, to enable Secretary of Agriculture to carry into effect the provisions of sec. 21 of the Bankhead-Jones Act.....	100,000
Source: Stat. 55, p. 414.	
58. Puerto Rico, for extending from Puerto Rico vocational education and civilian rehabilitation.....	105,000
Source: Stat. 55, p. 475.	
59. Government of the Virgin Islands, survey of public works needs, administrative expenses, employment of engineer or firm of engineers, if necessary, to construct and rehabilitate public works necessary for the welfare of the Virgin Islands.....	5,000
Source: Stat. 55, p. 554.	
60. Balboa, housing for enlisted men, laundry and school facilities.....	900,000
Source: Stat. 55, p. 659.	
61. Vieques, P. R.: Roosevelt Roads, additional development of protected fleet anchorage, including acquisition of land.....	21,970,000
Source: Stat. 55, p. 659.	
62. Charlotte Amalie, V. I., additional development of submarine facilities.....	2,195,000
Source: Stat. 55, p. 659.	
63. Coco Solo, additional power plant, shore patrol headquarters and school facilities.....	885,000
Source: Stat. 55, p. 659.	
64. Balboa, additional ammunition storage facilities, including buildings and accessories.....	165,000
Source: Stat. 55, p. 660.	
65. Coco Solo, additional ammunition storage facilities, including buildings and accessories.....	160,000
Source: Stat. 55, p. 660.	
66. Balboa, expansion of hospital facilities.....	250,000
Source: Stat. 55, p. 660.	
67. Charlotte Amalie, V. I., ammunition storage facilities and including buildings and accessories.....	575,000
Source: Stat. 55, p. 661.	



68. San Juan, P. R., additional aviation facilities, including buildings and accessories.....	\$752,000	100. Canal Zone, retirement and disability fund for employees of Panama Canal and Panama Railroad Company.....	\$1,177,000	123. Puerto Rican hurricane relief, administrative expenses to continue collection and administration of money due the United States on account of loans and to make compositions and adjustments on loans.....	\$19,950
Source: Stat. 55, p. 662.		Source: Public Law 90, 78th Cong.		Source: Stat. 56, p. 560.	
69. Balboa, utility building and accessories.....	25,000	101. Puerto Rico, to enable Secretary of Agriculture to extend the benefits of sec. 21 of the Bankhead-Jones Act to Puerto Rico.....	140,000	124. Puerto Rico, to enable the Secretary of Agriculture to coordinate the agricultural experiment station work in Puerto Rico.....	50,000
Source: Stat. 55, p. 662.		Source: Public Law 129, 78th Cong.		Source: Stat. 56, p. 670.	
70. Charlotte Amalie, V. I., radio facilities, including buildings and accessories.....	130,000	102. Puerto Rico, to enable the Secretary of Agriculture to coordinate agricultural experiment-station work in Puerto Rico.....	90,000	125. Puerto Rico, to enable the Secretary of Agriculture to establish and maintain an agricultural experiment station in Puerto Rico, including the erection of buildings, the preparation, illustration, and distribution of reports and bulletins.....	60,592
Source: Stat. 55, p. 663.		Source: Public Law 132, 78th Cong.		Source: Stat. 56, p. 670.	
71. Gatun, additional radio facilities, including buildings and accessories.....	200,000	103. Puerto Rico, to enable the Secretary of Agriculture to maintain an agricultural experiment station in Puerto Rico, including erection of buildings, preparation, illustration, and distribution of reports and bulletins.....	100,000	126. Puerto Rico, to enable the Secretary of Agriculture to extend the benefits of Sec. 21 of the Bankhead-Jones Act to Puerto Rico.....	100,000
Source: Stat. 55, p. 663.		Source: Public Law 129, 78th Cong.		Source: Stat. 56, p. 672.	
72. David, Panama, National Airport, quarters for officer in charge and operators.....	30,000	104. Virgin Islands, for additional amounts for salaries and expenses of the government of the Virgin Islands.....	7,000	127. Panama Canal Zone, for additional amount for salaries, district court, Panama Canal Zone.....	2,250
Source: Stat. 55, p. 663.		Source: Public Law 132, 78th Cong.		Source: Stat. 56, p. 704.	
73. Summit, C. Z., additional radio facilities, including buildings and accessories.....	850,000	105. Virgin Islands, for additional amounts for salaries and expenses agricultural experiment stations and vocational school in the Virgin Islands.....	2,100	128. Federal Security Agency, for extending to Puerto Rico vocational education and civilian rehabilitation.....	105,000
Source: Stat. 55, p. 663.		Source: Public Law 132, 78th Cong.		Source: Stat. 56, p. 577.	
74. Puerto Rico, fleet fuel and storage facilities, including buildings and accessories.....	800,000	106. Virgin Islands, for additional amount to defray deficit in the treasury in the municipal government of Saint Croix, because of excess of current expenses over current revenue.....	45,000	129. Loan to Puerto Rico Reconstruction Administration.....	4,296,664
Source: Stat. 55, p. 664.		Source: Public Law 132, 78th Cong.		Source: P. 599, U. S. Treasury Annual Report, fiscal 1942.	
75. Balboa, C. Z., housing for officers and enlisted men, laundry and school facilities.....	600,000	107. Puerto Rican hurricane relief, additional amount for administrative expenses.....	2,400	Total.....	662,806,970
Source: Stat. 55, p. 672.		Source: Public Law 132, 78th Cong.			
76. Puerto Rico, Roosevelt Roads (Vieques), additional development of protected fleet anchorage, including acquisition of land.....	21,970,000	108. Virgin Islands government, salaries and expenses.....	12,250		
Source: Stat. 55, p. 673.		Source: Public Law 132, 78th Cong.			
77. Charlotte Amalie, V. I., additional development of submarine facilities.....	2,195,000	109. Virgin Islands, salaries and expenses of agricultural experiment station and vocational school.....	400		
Source: Stat. 55, p. 673.		Source: Public Law 132, 78th Cong.			
78. Coco Solo, additional power plant, and shore patrol headquarters and school facilities.....	885,000	110. Puerto Rican hurricane relief, additional amount.....	1,700		
Source: Stat. 55, p. 673.		Source: Public Law 132, 78th Cong.			
79. Coco Solo, improvement of the water supply.....	26,000	111. Panama Canal and Canal Zone, civil government (War Department).....	111,000		
Source: Stat. 55, p. 673.		Source: Public Law 132, 78th Cong.			
80. Coco Solo, signal station.....	5,000	112. Virgin Islands, salaries of the Governor and employees, traveling expenses of officers and employees.....	168,820		
Source: Stat. 55, p. 673.		Source: Public Law 133, 78th Cong.			
81. Coco Solo, improvement of power plant.....	200,000	113. Virgin Islands, for salaries and expenses of the agricultural station and the vocational school in the Virgin Islands, including demonstrations and practical farming.....	37,640		
Source: Stat. 55, p. 673.		Source: Public Law 133, 78th Cong.			
82. Coco Solo, gas chamber.....	3,000	114. Virgin Islands, for defraying deficit in the treasury of the municipal government of St. Croix, because of the excess of current expenses over current revenues.....	140,000		
Source: Stat. 55, p. 673.		Source: Public Law 133, 78th Cong.			
83. Coco Solo, railroad tracks for pier No. 1.....	20,000	115. Puerto Rican hurricane relief, to enable the Secretary of Interior to continue the collection and administration of money due the United States on account of loans made to make compositions and adjustments on loans.....	20,000		
Source: Stat. 55, p. 673.		Source: Public Law 133, 78th Cong.			
84. Coco Solo, storage for salvage pontoons.....	10,000	116. Puerto Rico, for extending to Puerto Rico vocational education and civilian rehabilitation.....	105,000		
Source: Stat. 55, p. 673.		Source: Public Law 135, 78th Cong.			
85. Coco Solo, marginal wharf on north side of north mole.....	100,000	117. Puerto Rico, Virgin Islands, for work relief in Puerto Rico, Virgin Islands, under the supervision of Federal Works Administrator.....	7,000,000		
Source: Stat. 55, p. 673.		Source: Public Law 140, 78th Cong.			
86. Balboa, additional ammunition storage facilities, including buildings and accessories.....	165,000	118. Virgin Islands, additional amount for defraying deficit in the treasury of the municipal government for St. Croix, because of excess of current expenses over current revenues.....	10,000		
Source: Stat. 55, p. 673.		Source: Stat. 56, p. 242.			
87. Coco Solo, additional ammunition storage facilities, including buildings and accessories.....	160,000	119. Panama Canal Zone, for salaries for officials and employees of District Court of the United States for Panama Canal Zone.....	27,300		
Source: Stat. 55, p. 673.		Source: Stat. 56, p. 502.			
88. Balboa, expansion of hospital facilities.....	250,000	120. Virgin Islands, for salaries of Governor and employees, traveling expenses of officers and employees, and other necessary expense.....	147,980		
Source: Stat. 55, p. 675.		Source: Stat. 56, p. 560.			
89. Charlotte Amalie, V. I., ammunition storage facilities, including buildings and accessories.....	576,000	121. Virgin Islands, for salaries and expenses of the agricultural experiment station and the vocational school in the Virgin Islands, including demonstration in practical farming.....	37,640		
Source: Stat. 55, p. 676.		Source: Stat. 56, p. 560.			
90. San Juan, P. R., additional aviation facilities, including buildings and accessories.....	752,000	122. Virgin Islands, for defraying the deficit for the treasury of the municipal government of St. Croix because of excess of current expenses over current revenue.....	114,800		
Source: Stat. 55, p. 676.		Source: Stat. 56, p. 560.			
91. Balboa, utility building and accessories.....	25,000				
Source: Stat. 55, p. 677.					
92. Charlotte Amalie, V. I., radio facilities including buildings and accessories.....	130,000				
Source: Stat. 55, p. 677.					
93. David, Panama, national airport, quarters for officer-in-charge and operators.....	30,000				
Source: Stat. 55, p. 677.					
94. Gatun, additional radio facilities including buildings and accessories.....	200,000				
Source: Stat. 55, p. 663.					
95. Gatun, additional radio facilities including buildings and accessories.....	200,000				
Source: Stat. 55, p. 678.					
96. Summit, C. Z., additional radio facilities including buildings and accessories.....	350,000				
Source: Stat. 55, p. 678.					
97. Puerto Rico, fleet fuel and storage facilities, including buildings and accessories.....	800,000				
Source: Stat. 55, p. 679.					
98. Canal Zone, temporary housing for marine guards at radio stations.....	60,000				
Source: Stat. 55, p. 679.					
99. Puerto Rico, Virgin Islands, work relief on projects in Puerto Rico and Virgin Islands, under the supervision of the Federal Works Administrator.....	8,000,000				
Source: Public Law 86, 78th Cong.					

Mr. McKELLAR. Mr. President, before the Senator takes his seat I will say that I have sent for a copy of the speech which the Senator made in connection with his so-called report concerning rubber. I notice that the price per pound has been changed, but that the following language has not been changed:

If this be true, it seems incongruous to permit rubber costs to continue at the rate of \$200 to \$500 per pound in Guatemala, Brazil, and other Latin American countries. The former cost of raw rubber was 6 cents a pound.

The figures of \$200 to \$500 per pound were based on the statement that only 30,000 pounds of raw rubber had been produced.

Mr. BUTLER. That was left out of my official report, Mr. President.

Mr. McKELLAR. It is in the official report as printed, a copy of which is before me.

Mr. BUTLER. In the original report pounds were stated.

Mr. McKELLAR. Yes; it was pounds.

Mr. BUTLER. And now it is pounds.

Mr. McKELLAR. It is still considered in pounds because by simple calculation the only possible way by which the Senator could arrive at the cost of rubber as being from \$200 to \$500 a pound was for him to use 30,000 pounds of rubber instead of 30,000 long tons of rubber.

Mr. BUTLER. I believe that a few moments ago I explained to the distinguished Senator from Tennessee that the error was purely mathematical. It had nothing to do with the basic principles of the argument. I believe the good Senator from Tennessee himself will admit that in the past he may have possibly made mistakes in his arithmetic. I have today shown that the figures which he used did not agree with Mr. Rockefeller's figures, and that the figures which he used on the second occasion did not agree with his first figures.

Mr. McKELLAR. They were about entirely different things.

Mr. BUTLER. So far as I am concerned, I am eliminating everything that was said with reference to the Brazilian rubber transaction in the first report, and I am inserting in my report today—

Mr. McKELLAR. A correction?

Mr. BUTLER. My candid and corrected statement.

Mr. McKELLAR. Very well.

#### THE REVENUE ACT

The Senate resumed the consideration of the bill (H. R. 3687) to provide revenue, and for other purposes.

Mr. McKELLAR. Mr. President, at the moment, the Senator from Georgia [Mr. GEORGE] does not appear to be in the Chamber, and neither does the majority leader. The senior Senator from Michigan [Mr. VANDENBERG], who is a member of the committee, is present. I wonder if he can give us any information. Our leaders are not present. That is why I make the inquiry.

Mr. VANDENBERG. Mr. President, I should be complimented by what the Senator has asked even if our leaders were present.

Mr. McKELLAR. I thank the Senator.

Mr. VANDENBERG. The Senate Finance Committee has just very happily reached a complete agreement on a series of amendments to the Senate Finance Committee's recommendation in respect to the renegotiation act.

Mr. McKELLAR. I am intensely interested in that.

Mr. VANDENBERG. I know the Senator is interested.

Mr. McKELLAR. Being the author of the act I should like to know what the amendments are, if the Senator can tell me.

Mr. VANDENBERG. I believe the Senator will be reasonably pleased with the net result. The amendments are considerable in number, and it is my understanding that it will be impossible to proceed with them this afternoon because it is desired that they be printed so that all Senators may have copies of them before action is taken upon them. I do not wish to presume upon any statement which the able chairman will make.

Mr. McKELLAR. I understand that.

Mr. VANDENBERG. However, it is my understanding that he will report the amendments to the Senate this afternoon and ask that they be printed.

Mr. GEORGE. Mr. President, I do not know that there is on the desk any amendment to the tax provisions of the pending bill that can be pressed at this time or can be disposed of. My recollection is that yesterday all the amendments to the tax provisions had been disposed of insofar as they had been offered from the floor by any Senator.

Now I should like to make this statement: The Senate Finance Committee has given prolonged consideration to the title of the bill dealing with contract renegotiation. The committee has arrived at a conclusion which has the approval of the full committee. It will be necessary to have several amendments printed before the Senate can see clearly and definitely what action has been taken by the committee. I may say that the

amendments agreed to by the committee are not wholly satisfactory, maybe, to individual members of the committee, but there has been a unanimous agreement with perhaps one or two reservations that certain other amendments might be offered from the floor on certain questions that are not material, or, at least highly material.

I, therefore, ask that the amendments agreed upon this morning by the Senate Finance Committee may be printed and placed on the desks of Senators tomorrow morning, and if there are other amendments from the floor to this section of the bill I hope that Senators will see that they are printed and on the desk tomorrow morning. It is not practicable to go into a general statement about the amendments unless Members of the Senate have them before them so that they may see precisely what has been done.

I also ask that these amendments may be printed in the body of the CONGRESSIONAL RECORD. It may not be necessary, but I ask that the drafting service may have until 10 o'clock tonight to file the amendments for the RECORD and for printing and to lie on the table.

The PRESIDING OFFICER (Mr. WALSH of New Jersey in the chair). Without objection, the request of the Senator from Georgia is granted.

The amendments submitted by Mr. GEORGE, which were ordered to lie on the table, to be printed, and printed in the RECORD, are as follows:

Page 156, line 14, strike out "financial."

Page 158, line 4, before "allowable", insert "estimated to be."

Beginning with line 15, on page 158, strike out down to and including line 2, on page 159, and insert:

"(5) The term 'subcontractor' means—

"(A) Any purchase order or agreement to perform all or any part of the work, or to make or furnish any article, required for the performance of any other contract or subcontract; or."

Page 165, line 5, after "year", insert "(or such other period as may be fixed by mutual agreement)."

Page 168, in lieu of the committee amendment in lines 2, 3, and 4, strike out "statements," in line 3, and insert "statement."

Page 168, in lieu of the committee amendment in lines 6, 7, and 8, strike out "statements" in line 7 and insert "statement."

Page 169, beginning with line 15, strike out down through line 22 to line 23 and insert:

"(5) (A) Every contractor and subcontractor who holds contracts or subcontracts, to which the provisions of this subsection are applicable, shall, in such form and detail as the Board may by regulations prescribe, file with the Board on or before the first day of the fourth month following the close of the fiscal year, a financial statement setting forth actual costs of production and such other information as the Board may by regulations prescribe. In addition to the statement required under the preceding sentence, every such contractor or subcontractor shall, at such time or times and in such form and detail as the Board may by regulations prescribe, furnish the Board any information, records, or data required by the Board. Any person who willfully fails or refuses to furnish any statement, information, records, or data required of them under this subsection, or who knowingly furnishes any such statement, information, records, or data."

Page 174, beginning with the comma in line 3, strike out down to and including the

period in line 13 and insert: "The Board may review any determination by any such officer, agency, or division on its own motion, or in its discretion at the request of any contractor or subcontractor aggrieved thereby. Unless the Board upon its own motion initiates a review of such determination within 60 days from the date of such determination, or at the request of the contractor or subcontractor made within 60 days from the date of such determination initiates a review of such determination within 60 days from the date of such request, such determination shall be deemed the determination of the Board."

Beginning in line 25, on page 176, strike out "whether or not such determination is" and insert "which is not"; and beginning with "If", in line 24, on page 177, strike out down to and including the period in line 4, on page 178.

Beginning with line 24, on page 179, strike out down to and including line 4, on page 180, and insert:

"(h) This section shall apply only with respect to profits derived from contracts with the departments and subcontracts which are attributable to performance prior to the termination date. For the purposes of this subsection—

"(1) The profits derived from any contract with a department or subcontract which shall be deemed 'attributable to performance prior to the termination date' shall be those determined by the Board to be equal to the same percentage of the total profits so derived as the percentage of completion of the contract or subcontract prior to the termination date; and

"(2) The term 'termination date' means—

"(A) December 31, 1944; or

"(B) If the President not later than December 1, 1944, finds and by proclamation declares that competitive conditions have not been restored, such date not later than June 30, 1945, as may be specified by the President in such proclamation as the termination date; or

"(C) If the President, not later than June 30, 1945, finds and by proclamation declares that competitive conditions have been restored as of any date within 6 months prior to the issuance of such proclamation, the date as of which the President in such proclamation declares that competitive conditions have been restored;

except that in no event shall the termination date extend beyond the date proclaimed by the President as the date of the termination of hostilities in the present war, or the date specified in a concurrent resolution of the two Houses of Congress as the date of such termination, whichever is the earlier."

Beginning with the first "or", in line 23, on page 180, strike out down to and including "harvested", in line 1, on page 181.

On page 182, the committee will ask that the committee amendment in lines 1 and 2 be not agreed to, and on page 184, the committee will ask that the committee amendment in lines 3 to 6 be not agreed to.

Page 182, before line 3, insert:

"(F) Any contract or subcontract for durable machinery, tools, or equipment used in processing an article made or furnished under a contract with a department or subcontract but which is not incorporated in or as a part of such article. For purposes of this subparagraph the term 'durable machinery, tools, or equipment' means machinery, tools, or equipment ordinarily having a useful life of more than 10 years; or."

On page 182, the committee will ask that the committee amendment in lines 6 to 10 be not agreed to.

Page 186, beginning with "the" at the end of line 18, strike out down to and including "and" in line 21, and in line 23, strike out "such act" and insert "the Sixth Supple-



mental National Defense Appropriation Act, 1942."

Mr. BARKLEY obtained the floor.

Mr. LANGER. Mr. President—

Mr. BARKLEY. I yield.

Mr. LANGER. Am I to understand that any amendment can be filed up until 10 o'clock tonight or merely committee amendments?

Mr. GEORGE. I made the request for the committee amendments both for the RECORD and for the table, so that Senators may have them before them tomorrow when they are taken up and considered.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Michigan.

Mr. VANDENBERG. Might I suggest, if it is not inconsistent with the plans of the chairman of the committee, that we might meet tomorrow at 11 o'clock a. m., and start going on this job and get behind it?

Mr. GEORGE. That would be entirely agreeable to me.

Mr. BARKLEY. That would be entirely agreeable. I think there are no important committee meetings tomorrow morning.

I wish to state that in a little while when the Senator from South Dakota [Mr. BUSHFIELD] returns to the Chamber I wish to have taken up and considered a nomination which has been passed over several times and to dispose of it, but prior to going into executive session I wish to make a brief statement before the legislative session concludes.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

#### ACCOMPLISHMENTS OF THE ADMINISTRATION OF PRESIDENT ROOSEVELT

Mr. BARKLEY. Mr. President, today marks the third anniversary of the inauguration of President Roosevelt in his present term. His administration has functioned in the interest of the people since March 4, 1933, and we are proud of its accomplishments during those years.

Compare the situation of the United States with that of any other country on the globe, and in the light of such comparison our domestic difficulties may be appraised at their true value.

We are in the midst of a terrible war which was forced upon us and which entails the heart-rending sacrifices incident to such a struggle. The oncoming of the calamity found us ready to meet it, and our arms are victorious in every far-flung theater of action against the greatest military forces the world has known.

We have kept destruction and disaster away from our own cities and, except for the inconveniences of rationing, higher taxes and other regulations and restrictions necessary to war—which are trifling in comparison with the sufferings of other warring nations—and the inevitable sorrows incident to battle casualties, our home life is undisturbed.

Our national prestige is at its peak; our national credit is unassailable. In fact, so excellent is our situation that some of us are engaged in the quadren-

nial diversion of politics, which puzzles and causes wonderment among our allies.

Mr. President, this condition did not come about by accident. We are where we are because we have had an administration, farsighted and conscientious, both in the field of domestic welfare and of grim warfare.

In the final analysis the value of a political party to the Nation is twofold: It must propose a program and it must carry its program into action. Once a definite program has been offered to the people, the party must receive, through an election, the consent of the people to enable it to act. It then acts under the mandate of the people, often in opposition to the policies of the political party not so mandated, and, fortunately, sometimes in harmony with those more reasonable elements of the opposition who have listened to the mandate of the people and are able to rise above party to support action upon programs of unquestioned value to the Nation.

No one would question the fact that we have had political party government in the United States for a century and a half, and no one would doubt the strength and enduring value of our form of government. But at moments in the Nation's history when great problems and questions of vital import cry for solution, as has been the case for the last 11 years, no one questions the necessity of all persons transcending party lines and giving the Nation the soundly progressive legislation needed to assist it through national and international stress and strain and finally to effect its full recovery.

Such legislation by the Congress, and administration thereof by the President, has not only been introduced and supported by the majority party, but a careful check of the records reveals that the minority party has supported some democratic policies and legislative acts of unquestioned value and merit.

The stamina and integrity of a nation are manifested in the character of its laws. The wealth of a nation exists not only in its treasury and its natural resources, but in the contentment and moral character of its people.

The broad, wholesome, and comprehensive laws enacted and administered under the Roosevelt administration have done more to stabilize this country than any other single feature. The Democratic legislative program has infused the strength and resistance into the Nation that have made possible the great victories our military forces have achieved since the treacherous attack at Pearl Harbor. Had the infamy perpetrated by Japan happened in the closing days of the Hoover administration, due to the fact that our military and naval strength not only had not been increased but had been permitted to decline, the onslaught then might have been fatal.

The stimulation of popular legislation beneficial to all the people, expounding the Jeffersonian theory of "the greatest good to the greatest number," has given to this Nation renewed vitality, force, and defensive aggressiveness. Surely there

is no one of rational thought, other than those politically prejudiced, who would ask for the repeal of Democratic national policy-making legislation. Such legislation has been the backbone of the country, and made possible the great resistance recently exhibited in this national emergency.

The Democratic legislative record from 1933 to 1943 has been such as to give stability, energy, and victory to the Nation, economically, financially, and defensively. The soundness of the legislative policies made this Nation an invincible stronghold. The fortitude of the people, and their immediate conversion to a strong, aggressive attitude, were possible only as a result of the wholesomeness of the legislative program enacted under the Democratic administration. This program brought out the splendid national resourcefulness of the Nation.

After President Roosevelt assumed office, before the ringing words of his first inaugural address had ceased echoing through the Nation, his immediate action in declaring a bank holiday inspired the Congress to pass national emergency financial legislation, which resulted in sound banking policies in an unprecedentedly brief time. This action was but a forerunner of the strong financial legislation that was to follow in the months and years to come.

The agricultural legislation that kept the farmer from burning his products for fuel and gave him a profitable return for his labor, the home owner's relief that saved him from eviction and the processes of the sheriff, the remedial legislation that banished the bread line, the heartening legislation that conquered unemployment, the laws that gave relief to labor, the miner, the railroad worker, the industrial employee, all were creations of Jeffersonian-minded legislators. The veterans, servicemen and service-women, have received unprecedented advantages, as evidenced by the long list of laws enacted in their behalf. The industrialists, the capitalists, the laborer and the white-collar worker, the manufacturers—the women and children, the maimed, the halt, and the blind have been given a fairer consideration and definite benefits by the legislation of the Democratic Congresses.

Mr. President, I am appending hereto a brief summary of some of the outstanding legislation enacted by Congress and the Roosevelt administration during the past 11 years. I shall not do more than call attention to it. I have outlined 34 different legislative policies which have been enacted into law during the period of which I speak. I shall not take the time of the Senate to recite them paragraph by paragraph, but I ask unanimous consent that they may be appended to the remarks I have just made.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Is there objection?

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

#### THE PARADE OF PROGRESS—RECORD OF ACHIEVEMENT, DEMOCRATIC ADMINISTRATION, 1933-44

1. A sound banking system was inaugurated which was more flexible and responsive to

the needs of the small depositor, investor, or borrower.

2. Federal guaranty of bank deposits and the reopening of closed banks was provided through the Federal Deposit Insurance Corporation and the Emergency Banking Relief Act.

3. Monetary and financial stabilization was strengthened by passage of the Gold Reserve Act and the Silver Purchase Act. The unsteady position of public finance and credit was corrected by the reciprocal trade agreements, the Municipal Bankruptcy Act, and the Farm Bankruptcy Act, all being major factors in assisting business, municipalities, and farmers to put their finances on a firm basis with renewed confidence.

4. The Home Owners' Loan Corporation was organized to save thousands of homes from foreclosures.

5. Farm homes and farms were saved from foreclosures by the establishment of the Farm Credit Administration.

6. Farmers who were vainly laboring to work unprofitable marginal lands were resettled upon new and arable farms and lands throughout the Nation.

7. Electricity, and thus time-saving and labor-saving devices and machinery, was brought to twice as many farms during the 8 years of R. E. A. as had been provided in the last 50 years.

8. A vast program of water conservation has been carried out implemented by the expanded program of dam and reservoir construction. Many marginal farms and unarable lands have thus become arable.

9. Floods, which have always taken an annual toll of millions of dollars from the rural and urban areas alike, have been largely controlled and restrained through operation of the water-conservation program and flood-control acts, such as the Mississippi River Flood Control Act, the Omnibus Flood Control Act, and the Flood Compact Act.

10. Drought-control and drought-relief programs have formed integral parts of all agricultural legislation dealing with conservation. Water-facilities programs provided treatment for more than 3,530,000 acres.

11. The soil-conservation program has returned thousands of depleted and abandoned farms to use. More than 30,000,000 acres have been saved or returned to production.

12. Financial and production aid has been extended to all farmers through the Soil Conservation and Domestic Allotment Act and the farm-mortgage acts.

13. Farm tenancy with its former substandard living conditions has been improved through operations of the farm tenant acts.

14. Encouragement and assistance has been given to the establishment of farm cooperatives effecting reduction in operating and living costs to the farmer and fostering community solidarity and self-reliance.

15. Crop insurance and parity payments have maintained a level of farm prices which have kept farms in production through periods of distress.

16. The natural resources of the Nation have been conserved through the various agricultural programs, and by the establishment of new national parks and monuments. The production of scarce strategic and critical raw materials has been benefited by the financial assistance of the Government to research in synthetic production, this in turn will create new markets for the farms and mines of the Nation while conserving supplies of the natural product.

17. Public-works projects have been carried forward in every section of the Nation in providing work through critical periods and adding to the wealth of the Nation a broad variety of permanent improvements such as roads affording access to remote sections, highways, bridges, dams, and stream control, public buildings, and recreational areas.

18. The Civilian Conservation Corps formed to provide a healthful and normal environment for the unemployed youth of the country carried out a program of road building and reforestation which has added to the future national wealth and the conservation of the Nation's forests.

19. The National Youth Administration aided thousands of underprivileged young people through vocational study programs, direct work programs, and student aid.

20. Old-age and retirement insurance has been provided through the cooperation of the Federal and State governments and industry.

21. Unemployment insurance has given the worker freedom from hunger and fear through periods of industrial stress.

22. The Government in cooperation with the States has given financial aid and vocational training to the crippled and the blind.

23. Funds have been distributed through the Federal Emergency Relief Administration to starving and undernourished persons having no other local or private sources of assistance.

24. Slum clearance has given decent housing and encouragement to thousands of underprivileged families.

25. Private home building has been stimulated through the activities of the Federal Housing Administration.

26. Housing projects for new industrial areas have given clean and comfortable quarters to war workers.

27. Legislation has been passed abolishing child labor and its attendant evils.

28. Minimum-wage and maximum-hour legislation have given the worker protection from unscrupulous exploitation—wherever it may have prevailed.

29. The establishment of the National Labor Relations Board has provided a sound and effective means for the settlement of labor disputes.

30. Utility monopolies have been broken providing relief to the consumers from extortionate rates and charges.

31. Legislation was enacted providing for the truth being told to investors in securities, and the Securities and Exchange Commission was set up to protect the investor from corrupt stock exchange and dealer practices wherever met.

32. Reciprocal trade agreements have been made with many cooperating nations effecting a sounder and more mutually prosperous relationship with foreign nations.

33. The good-neighbor policy has brought a closer understanding of the mutual problems and means of solving them to the nations of the Western Hemisphere.

34. Our veterans and men and women on active duty have been aided by increased compensation, greater benefits for their dependents, and job assurance after the war.

The present administration believes that it has brought about a broader conception of human relationships, and a better general understanding of individual and governmental responsibilities. This should point the way to a more sympathetic and cooperative procedure for the solution of future problems. There has come into the hearts and minds of the people a renewed hope and feeling of security against the dangers and hazards implicit in the problem of conversion of a world at war to a world of permanent peace.

#### MUSTERING-OUT PAY FOR MEMBERS OF THE ARMED FORCES

The PRESIDING OFFICER (Mr. McFARLAND in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1543) to provide for mustering-out payments to members of the armed forces, and for other purposes.

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. REYNOLDS, Mr. THOMAS of Utah, Mr. JOHNSON of Colorado, Mr. AUSTIN, and Mr. BRIDGES conferees on the part of the Senate.

#### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to.

The Senate proceeded to the consideration of executive business.

#### EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

Capt. Don P. Moon, United States Navy, to be a rear admiral in the Navy, for temporary service, to rank from the 21st day of November 1942.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Several postmasters.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

#### NOMINATIONS CONFIRMED EN BLOC

Mr. BARKLEY. Mr. President, the first order of business on the calendar is a nomination in the Marine Corps, which has been passed over several times. I ask unanimous consent that, with the exception of that order, all the other nominations be considered and disposed of en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations, with the exception of the first order, are confirmed en bloc.

Mr. BARKLEY. I ask unanimous consent that the President be notified immediately of all these confirmations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

#### THE MARINE CORPS—COL. WILLIAM P. T. HILL

The legislative clerk read the nomination of Col. William P. T. Hill to be quartermaster of the Marine Corps.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. BUSHFIELD. Mr. President, at the time the nomination of Colonel Hill was first presented to the Senate I raised an objection. I wish now to acknowledge the very gracious courtesy extended me by the distinguished majority leader, the Senator from Kentucky [Mr. BARKLEY]. He has always been helpful, courteous, and cooperative, and I wish to assure him that I appreciate his granting me the opportunity to investigate some objections which were filed with me in connection with this nomination.



I do not know Colonel Hill personally, I never heard of him before his nomination was sent to the Senate for confirmation, but at that time a number of objections were presented to me as to why Colonel Hill should not be confirmed at this time, and I think it my duty to lay before the Senate what has been brought to my attention, in spite of the fact that the distinguished majority leader stated what would be the probable outcome of the objections, when he said such nominations have always been confirmed.

In the first place, I do not appear for any official either of the Army or the Navy, but I am speaking today, in these few brief remarks, on behalf of all the commissioned officers of the Army and Navy, the Coast Guard and the Air Force, for throughout their lifetime these men in the armed services have striven for and have endeavored to secure advancement in their ratings. Their entire life objective is to progress in their profession. Men in the armed services are set aside, practically speaking, from all the privileges and opportunities of those in civil life in our country. If anything occurs relative to promotions in these services, their mouths are sealed, and I feel that the matters which have been brought to my attention in the last week should be presented to the Senate for consideration. Perhaps there is nothing in what I shall say concerning Colonel Hill personally, possibly there may be, I do not know, but it is the situation which exists which I think should be taken into consideration by the Naval and Military Affairs Committees of this body as well as the general policy prevailing.

A few days ago the distinguished Senator from Kentucky had placed in the Record a letter from General Holcomb, which, as I recall, was addressed to the senior Senator from Massachusetts (Mr. WALSH). In that letter several statements are made which I do not believe are borne out by the facts in this case. In the first place the statement is made in General Holcomb's letter:

There is but one officer, Brig. Gen. Bennett Puryear, Jr., on the eligible list for appointment as head of the Quartermaster's Department.

Mr. President, I take issue with that statement as not representing the facts, and misleading to the Senate. The facts of the matter are that there are six qualified colonels on the accredited list in the Quartermaster's Department who are entitled by right of seniority, by right of service, and by right of their service records, to be considered in connection with the appointment. I read the names: Col. Arnold W. Jacobsen, of the State of Iowa, now depot quartermaster at San Francisco; Col. Ery M. Spencer, of the Marine Corps, now director of the Quartermaster School at New River, N. C.; Col. William M. Best, of California, now post quartermaster at Quantico; Col. Maurice E. Gregory, now department quartermaster at Philadelphia; and Col. Andrew E. Cressy, of the State of Massachusetts,

now on duty in the southwest Pacific with the Marine Corps.

All those officers are ahead of Colonel Hill in the list for consideration as quartermaster. There are more than 140 colonels of the line, any one of whom could be selected for this important position.

Mr. President, as I said a moment ago, officers of the various military services are precluded from saying anything. You and I know that if any officer of the Army or of any of the other services raised his voice in one word of protest he would be "broken." That would be the end of his career in the service. He would lose the opportunity for any future advancement. The officers dare not speak, and I am speaking for them today.

Mr. President, let me call attention to another thing. The present quartermaster general is a man named Williams. It is said in General Holcomb's letter, or in one of the other letters which was offered the other day for the record, that it is very important that a decision in this case be made on or before February 1, because General Williams is to relinquish the office by reason of retirement for age at that time, and it is important to have an active officer in charge of the Quartermaster Department.

I wonder if Senators know that the same General Williams, whose place it is so important to fill because of the crisis of war in which we are now engaged, on December 20 took a leave of absence of 40 days as head of the Quartermaster Department and is at the present time in one of the Southern States on a hunting trip, and has been for some time. I see no urgency for passing upon the case if the head of the department, whose marines are fighting all over the world, finds time to quit his post for 40 days and go on a hunting trip.

Mr. President, it must be recognized that the Congress in years past has seen the importance of these selections being made upon some other basis than a personal basis. In accordance therewith Congress enacted a law some years ago creating a commission for the purpose of selecting men from the service for advancement. I do not for a moment contend—and I want the majority leader to appreciate this—that those having the appointive power should be confined simply to the question of seniority. I do not contend for that at all. I do contend that Congress created a commission for the purpose of going over the service records of officers and deciding who are best qualified for advancement or promotion. I hold and believe with all my heart that the fact that an officer's wife plays bridge with the commandant's wife is not a reason for advancing such an officer in any of the armed services of the country. I use that simply as an illustration, not stating it as a fact, because I know nothing about the private lives of these officers or their families. But here we have a case in connection with which General Holcomb makes the statement that in view of the fact that a couple of years ago, because of the war

emergency, Congress said that no appointments other than temporary appointments should be made at this time.

It is . . . impractical to comply—

Note the word "impractical"—

It is . . . impractical to comply—

With the law governing promotions, and, therefore, the promotion must be made upon a personal basis.

Mr. President, I do not agree with that policy at all. Granting that the promotions are now only temporary, I see no reason why the board or the commission which was named and set up by the Congress should not be active at this time and pass upon the service records of the officers presented for nomination to higher grades.

So, in this particular case, instead of some commandant or some superior officer saying, "Here is the man we want," I say that the board should function, and go over the officers' service records, and let the promotion be made upon merit only, and not upon personal choice of higher-ranking officers.

Mr. President, I know it will be said that the contrary practice has prevailed for years. I am not discussing what has been in past years. I am discussing what is fair and right to the officers in these services, and they are entitled to that consideration. They have spent their lives, I repeat, endeavoring to better themselves in their profession. They have spent their lives improving their grades in their profession. If their service records are equal or superior to those of some other officers they should be considered for appointment instead of being thrust aside and kicked out the window by reason of some personal choice. That is the crux of my complaint in this case, and I think it is a sound one, and that the Senate should consider it.

Mr. President, let me now call attention to one promotion recently made, which was confirmed. A certain Colonel Thomas was recently selected by the commandant for promotion to the grade of brigadier general. Colonel Thomas was only a temporary colonel. He was not even in the regular line. He was picked out from 140 other colonels of the line and promoted above 139 of them. No consideration was given to the merit of the other officers, or their service records. Colonel Thomas was picked out because the commandant said he wanted him. I say that is a wrong policy in the armed services of this country and should not be permitted to be continued. If the board which Congress created decides that an officer down the line has better qualifications, I do not have a word to say, and I do not believe any Member of this body would say anything. But I think Senators will agree with me that officers should be picked for promotion on the basis of merit, and not through personal choice of some commanding officer.

I have a copy of a letter before me which illustrates what I have been saying. If I am incorrect in quoting the

letter, I ask the Senator from Massachusetts to correct me. The letter states:

I am a marine from Massachusetts, of long service. \* \* \* I cannot sign my name for reason that you can readily understand.

The attached clipping reads that a Colonel Hill has been nominated to be the quartermaster of the Marine Corps.

The Marine Corps has a group of officers who have been designated for quartermaster duty only. It is but proper that the quartermaster should be selected from that group. \* \* \*

Why should six senior officers be passed over so that Colonel Hill \* \* \* be promoted?

These officers are listed in the Navy Register in the following seniority: Brigadier General Long, of California; Colonel Jacobsen, of Iowa; Colonel Spencer, of the United States Marine Corps; Colonel Best, of California; Colonel Gregory, of the Marine Corps; Colonel Cressy, of Massachusetts; and Colonel Hill, of Oklahoma.

Mr. President, I have before me the records, briefly stated, of all those officers, giving a statement of their backgrounds, their education, and their experience. I desire to call attention to the fact that the statement of General Holcomb that only one officer was available for consideration is a misstatement of the facts and is incorrect.

The letter gives a brief statement of the education and background of the various officers. Colonel Cressy, whom I last mentioned, at present is in the southwest Pacific, taking it on the chin with the other marines, not hanging around Washington at a desk job.

Mind you, Mr. President, I desire to repeat and impress upon the Senate that I am speaking for no particular officer. I do not know these men; but I think they are entitled to consideration by the Senate and by the promotion board which handles these matters, and that they are entitled to have their rights and their merits determined on the basis of what their merits are and upon the basis of their service, not upon the basis of seniority alone. I see no reason why the nomination should not be recommitted to the Committee on Naval Affairs. I am about to move that the nomination be recommitted to the Committee on Naval Affairs for further study, because, according to the record I have before me, on the particular delegated list there are the names of a number of officers whose service records and whose qualifications are equal or superior to those of Colonel Hill.

Therefore, Mr. President, I move that the nomination be recommitted to the Committee on Naval Affairs for further study of the record.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Dakota.

Mr. WALSH of Massachusetts. Mr. President, I understand that the position of the Senator from South Dakota is not one of personal objection to the nominee under consideration, but that his contention is that the selection should be made on the basis of seniority rather than on the basis of selection as an officer who is judged to be the one best fitted for the position under consideration.

Mr. BUSHFIELD. Mr. President, if the Senator will yield, let me say that I wish to have my position correctly understood. I said I did not stand upon seniority, but that seniority should be considered by the promotion board in considering the service record.

Mr. WALSH of Massachusetts. Mr. President, one answer to that is that the President made the nomination; no board made it. The President himself sent the nomination to the Senate. I assume he followed the usual procedure of conferring with his Secretary of the Navy, and that the Secretary of the Navy conferred with the Commandant of the Marine Corps, and perhaps some other officers of the Marine Corps, but at least with the Commandant. I assume that the recommendation probably is the recommendation of the Commandant of the Marine Corps, approved by the Secretary of the Navy, and approved by the President himself.

There is nothing objectionable about this officer, so far as his training or his background is concerned. The Senator from South Dakota thinks that, everything else being equal, the senior officer should be selected. I do not think anyone would disagree with him. But those of us who are members of the committee were not in a position to pass on the qualifications of the various officers under consideration. The Naval Affairs Committee had before it only the question of the fitness and capacity of this particular officer for the position under consideration.

The information which comes to me is that the nominee is an exceptionally able and competent officer, one of the very best in the Marine Corps; and there appears to be no objection on the basis of fitness or capacity.

Suppose we should reject the nomination. We would not have anything to do with the selection of the officer whom the President might thereafter select to nominate for the position. The President could select any other officer in the Marine Corps he was pleased to select. He could select an officer of even lower rank than this officer, as has been done in other cases; and in such case we should only be in the position of rejecting the first nominee and requesting that another name be submitted to us. We would not have the right or power to suggest to the President that he select the senior officer, whoever he might be. The Senator has emphasized, and properly so, the importance of recognizing seniority, when it is possible to do so, as a general policy in promotions.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. McCARRAN. I think the Senator will agree with us, however, from his long experience and his interest in the subject, that promotions to positions of the importance of the one under consideration, at least, and indeed all promotions, should be made on the basis of merit, rather than on the basis of "pull" or some prestige arising from a cause other than merit.

Mr. WALSH of Massachusetts. Mr. President, I am sure we all agree to that. There is no evidence, however, that the nomination now before the Senate has been made on the basis of "pull" or influence; but I am sure the Senator is sound in his observation. On the contrary, it appears that Colonel Hill is the marine officer best fitted for this position.

The selective system in the Navy and in the Marine Corps, as I have observed it during the years, operates in a very satisfactory way. It has now been tried out for a number of years. In order that an officer may be promoted from one grade to another, a selective board composed of officers of the next higher grade is selected. The board meets and goes through the records of every officer who may be in the lower rank and who is in a position to be considered for promotion. Those conferences or board meetings are secret. The officers are solemnly sworn to perform their duties conscientiously and without favor or fear, and to make the best possible selection. In my experience, there have come to the attention of the Committee on Naval Affairs only a very few cases of officers who thought they should have been selected and who complained because they were not selected. That is understandable, because we can all understand the delicate position in which an officer who was not selected would find himself if he appealed to a congressional committee to have his qualifications considered, and requested to have stated the reasons why he should be passed over. So I can understand why perhaps very few such cases have come to our attention. None has come to us in recent years. Some years ago there were some cases in which complaints were made against the selective system, but such complaints have not been made in recent years.

The particular position under consideration is not one with respect to which selection is made on the basis of seniority. All chiefs or bureaus in the Navy and in the Marine Corps are selected by the President, I assume after consulting with the Secretary of the Navy. The present nominee is not senior to several other officers.

Mr. BUSHFIELD. Mr. President, will the Senator yield to me again?

Mr. WALSH of Massachusetts. I yield.

Mr. BUSHFIELD. Is it not true that a few years ago the Congress provided for the selection of a promotion board for the very purpose of making recommendations to the President?

Mr. WALSH of Massachusetts. The Congress itself?

Mr. BUSHFIELD. Yes.

Mr. WALSH of Massachusetts. Congress could repeal the present law providing for selective boards. I suppose it could even itself set up a selective board. But the task would be a terrific one, and would involve examining hundreds and in some cases perhaps thousands of records; and it would be simply impossible to remove the influence about which one naturally complains—the possible personal influence or political influence.



Mr. BUSHFIELD. Mr. President, will the Senator yield again, so as to permit me to make another observation?

Mr. WALSH of Massachusetts. Certainly.

Mr. BUSHFIELD. I spoke because of the following statement in General Holcomb's letter to the Senator from Massachusetts:

The placing of additional names on the eligible list would require also the selection of additional colonels for permanent promotion to brigadier general of the line of the Marine Corps, since the law vests that function in the Line Selection Board.

That is the board to which I was referring. The Line Selection Board is in existence today, and has been for years.

Mr. WALSH of Massachusetts. The Senator is referring to the general selective system?

Mr. BUSHFIELD. Yes.

Mr. WALSH of Massachusetts. And not to this nomination?

Mr. BUSHFIELD. No; I did not mean that.

Mr. WALSH of Massachusetts. As the Senator indicates, the general selective system is composed of a board of superior officers who have presented to them the entire records of the other officers. They may be informed for illustration that there are 10 vacancies, let us say, in a particular rank, and they go through the records of 100 or 200 officers and choose the 10 officers who in their opinion have the best records. They are confined to the records, under their oath, and must very carefully scrutinize the records and make promotions entirely upon merit. So far as I have been able to observe, I must say from my observation that that has been done in a remarkably creditable way.

Only recently the Navy Department has set up a board to provide for the promotions of Reserve officers in the Navy. That board is to consider the records submitted of all the officers in a particular grade who are entitled to promotion, and make selections based upon the best-fitted man, and upon the number of vacancies in the higher grades. That is important. If there are only 10 vacancies in the higher grade, and 100 officers are entitled to promotion, they cannot all be promoted, because the number of officers in any grade is limited by statute. We cannot have an Army of all generals, or a Navy of all admirals. The number of officers in each particular grade is limited by statute.

I must say frankly that the selective system—I am speaking now so far as the Regular Navy is concerned, as distinguished from the Reserve Corps—has worked admirably. In years I have not heard, even privately, with perhaps one or two exceptions, of any dissatisfaction with the system. Many excellent officers are passed over in the selective system, but it is because there are so few vacancies in the higher grades. The number of vacancies is not sufficient to take care of many excellent officers, who must remain in their present grades for a longer period of time.

I was about to refer to the board which has been set up recently to provide for promotions among the Reserve officers,

particularly in the lower grades. That board is charged with the responsibility of reviewing the records of all those officers and making selections for promotions based upon merit. I hope it will work out satisfactorily. Heretofore among officers in the Reserve Corps, promotion has been largely a matter of recommendation from their immediate superior commanding officers, and approval by the Bureau of Personnel. Now a board is to pass upon the fitness, qualifications, and records with respect to all these officers, and promotions from one grade to a higher grade will be made upon the recommendation of this board. The reason for setting up the board is that complaints which have been made that the Department itself, upon individual superior officer's recommendation without surveying the records of all officers, has made some promotions. I am speaking of the Reserve Corps and not the Regular Navy. The Regular Navy prior to the war required all promotions to be made through the selective system to which the Senator has referred. At present they follow the selective system principle but it is no longer a statutory requirement in making temporary promotions during the war.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. BUSHFIELD. I should like to ask the Senator a question. Was the nomination of Colonel Hill made upon recommendation by the selective board?

Mr. WALSH of Massachusetts. I do not know. I assume not. I assume that the Commandant of the Marine Corps said, "Among the high-ranking officers available to be appointed head of the Quartermaster Corps, this is the best officer. He has had the best experience, and can do this job best."

The Commandant has a responsibility because if this officer is unfit, complaint can be lodged against the Commandant of the Marine Corps for recommending him. Of course, the Commandant of the Marine Corps submits the name of this officer and the names of others, I assume, whom he may think eligible, to the Secretary of the Navy, and later the names go to the President for selection.

Mr. BUSHFIELD. I am sure the distinguished Senator from Massachusetts will agree with me in this comment upon that situation: Even though the Commandant or commanding officer, whoever he may be, picks out the man he thinks is best fitted because he wants to work with him, this is not any Commandant's personal war, or any officer's personal war. The Senator and I, and everyone else in this country, has a part in this war. We are all partners in it.

Mr. WALSH of Massachusetts. The Senator is failing to keep in mind that the Chief of Operations of the Navy and his subordinates can send an officer anywhere, any time, to do whatever kind of work it may be necessary to do. That cannot be a matter of seniority.

Mr. BUSHFIELD. I understand that.

Mr. WALSH of Massachusetts. When an officer is sent to the Pacific to engage in certain naval operations there, he

must be the man best fitted for the task. The Chief of Naval Operations is the one who is responsible. The man who is responsible for the efficiency of the Marine Corps is the Commandant of the Marine Corps. This nominee is his selection. He is not the senior officer. Several other officers are his seniors.

Mr. BUSHFIELD. There are six ahead of Colonel Hill.

Mr. WALSH of Massachusetts. Yes; there are some officers senior to him. The Commandant himself was not the senior officer when he was appointed. He was selected by passing over another officer because the President and the Chief of Operations considered that the present Commandant, by reason of his experience in the Pacific, had had special training, was especially fitted, and was in a position to do a very effective and successful job for the Marine Corps. It so happens that in no case is the head of any bureau in the Navy today the senior officer. The heads of bureaus in the Navy Department are selected because of their particular knowledge and experience in a particular line. Take the Bureau of Ordnance. The head of the Bureau of Ordnance ought to be a man who knows ordnance, who has been to the ordnance schools, and has been given special training in ordnance. He should know the subject of ordnance, and all the intricate and involved problems upon which the Ordnance Department must pass.

In my opinion, one of the most capable, if not the most outstanding, officer at the head of any bureau in the Navy Department is Admiral Moreell, Chief of the Bureau of Yards and Docks. He was not the senior officer, and yet on all sides there is universal praise for the way in which he has accomplished an exacting and difficult task in making contracts and planning for the expansion of our Navy so far as the land establishments are concerned.

So there is no policy in the Navy or the Marine Corps of recognizing the theory that the chief of a bureau should be the senior officer. I think it would be a great mistake if we should attempt to enact legislation requiring that whenever a vacancy occurs in a particular bureau the senior officer must be appointed to the vacancy. I think the vacancy should be filled from among officers in the next lower grade, but I do not think that the man appointed to fill the vacancy should necessarily be the senior officer.

There is another point I want to stress. The promotion to which the Senator refers is a temporary promotion. It is only for 4 years. His appointment as chief of the quartermaster's bureau is for 4 years. This rank goes with the office, not with the man. At the end of 4 years, unless in the meantime there is some change in the situation, he must revert to the grade which he occupies at this time.

I think it would be folly to send this nomination back to the committee. All it could do, at most, would be to reject it, and then the President would send another name to the Senate. The same question might be raised as to the next nominee not being the senior officer, and another rejection might occur if we were

to take the position that the outstanding requirement for a man to be the head of any bureau should be his seniority. I think the Senator will agree on second reflection that that would be an unsound and unwise course for us to pursue.

In view of all the circumstances, Mr. President, I think the motion should be rejected, and that the nomination should be confirmed by the Senate.

Reference has been made to a statement and to a letter which I received from General Holcomb, and which I had inserted in the RECORD a few days ago when the same matter was under consideration. I ask that they again be printed in the RECORD as a part of my remarks.

There being no objection, the statement and the letter were ordered to be printed in the RECORD, as follows:

Colonel Brown, legal assistant to Lieutenant General Vandegrift, Commandant of the Marine Corps, stated that General Vandegrift considered Colonel Hill the best qualified man in the Marine Corps to perform the duties of quartermaster. Colonel Brown pointed out that General Vandegrift, himself, when he was appointed was not the senior general in the Marine Corps.

As you know, bureau chiefs in the Navy Department and department heads of the Marine Corps are not appointed by seniority, but are appointed from those who are considered best qualified for the particular duties concerned. For example, Commander Moreell, of the Civil Engineer Corps, was appointed a rear admiral and chief of the Bureau of Yards and Docks, and was thus passed over the heads of all the captains and rear admirals in the Civil Engineer Corps, and over the heads of a considerable number of commanders. In a similar manner, every officer who is now a bureau chief in the Navy Department was selected because of special qualifications, and not merely because of seniority.

Confirmation of an officer to fill the post of quartermaster of the Marine Corps is urgent. Unless a person qualifies for this office prior to the 1st of February 1944, the law requires that the Commandant, himself, perform these duties in addition to his other duties.

The rank to which Colonel Hill is being promoted will only continue during the 4 years of his appointment to Chief of the Quartermaster Corps.

#### HEADQUARTERS, UNITED STATES

##### MARINE CORPS,

Washington, D. C., December 20, 1943.

Hon. DAVID I. WALSH,  
Chairman, Committee on Naval Affairs,  
United States Senate.

MY DEAR MR. CHAIRMAN: With reference to the nomination of Col. William P. T. Hill to be the quartermaster of the Marine Corps, I have to inform you that his appointment is to fill a vacancy in that office which will be created on February 1, 1944, by the retirement for age of the present quartermaster, Maj. Gen. Seth Williams.

The law (U. S. Code, title 34, sec. 667c) provides that as vacancies occur, heads of staff departments of the Marine Corps shall be appointed for 4 years from officers whose names appear on the eligible lists for the respective departments. There is but one officer, Brig. Gen. Bennett Puryear, Jr., on the eligible list for appointment as head of the Quartermaster's Department. He has been hospitalized for the past 5 months, and has appeared before a retiring board which has found him incapacitated for service. In view of the nature of his disability (coronary thrombosis), he will unquestionably be retired.

The placing of additional names on the eligible list would require also the selection of additional colonels for permanent promotion to brigadier general of the line of the Marine Corps, since the law vests that function in the Line Selection Board. However, the act of June 30, 1942 (Public, No. 639, 77th Cong.), suspended permanent promotions for the period of the war, and it is accordingly impracticable to comply at the present time with the regular procedure prescribed in the appointment of heads of staff departments of the Marine Corps.

In these circumstances, it appears entirely proper for the President to appoint as head of the Quartermaster's Department of the Marine Corps an officer of the rank of colonel, even though his name be not on the prescribed eligible list.

General Vandegrift, the prospective Commandant of the corps, has recommended the appointment of Colonel Hill, and that recommendation is concurred in by the Secretary of the Navy and myself.

Colonel Hill, who is 48 years of age and has over 26 years' commissioned service, is particularly well qualified for the office. His record throughout his career has been outstanding. As early as 1920, his services were requested because of his special technical knowledge and ability by the Alaskan Coal Commission in connection with a survey of coal fields in Alaska as a source of fuel for the Pacific Fleet. His work there over a period of 2½ years in connection with prospecting and development was of such value as to call forth the commendation of the Secretary of the Interior. He has also had wide practical experience and training in all phases of military procurement and supply, with which he has been almost continuously associated in important and responsible assignments for the past 15 years.

One of his more recent assignments was that of Marine Corps liaison officer in connection with the planning and construction of the marine training camp at New River, N. C. In that capacity he rendered conspicuously valuable service and was to a great degree responsible for the rapidity with which urgently needed housing and training facilities were made available there.

Sincerely yours,

T. HOLCOMB,  
Lieutenant General,  
United States Marine Corps,  
The Commandant,  
United States Marine Corps.

Mr. REYNOLDS. Mr. President, unfortunately for me, I was not in the Chamber when the Senator from Massachusetts began his discourse relative to this interesting subject. Since being here, however, I have listened with interest to the observations which the able Senator from Massachusetts has made relating particularly to the nomination of Col. William P. T. Hill, pending before the Senate at the present time.

I do not know Colonel Hill, but I believe it to be my duty to advise the Senate that yesterday a distinguished Representative from North Carolina, Mr. GRAHAM A. BARDEN, came to the Chamber and told me he understood that Colonel Hill's name was coming up for confirmation, and that he would appreciate my giving expression to his views regarding Colonel Hill if I happened to be in the Chamber at the time the nomination was called up. He stated that he had known Colonel Hill for a number of years, that he knew a great many of his military and civilian associates, and that he had never known of a finer man and had never heard of a man in uniform spoken more highly of than

Colonel Hill. I told him I would be glad to report that to the Senate if I happened to be in the Chamber at the time the matter was under consideration. So, having told him I would be glad to convey such a certainly splendid recommendation from one of my colleagues, I am glad now to have the opportunity of doing so.

Mr. WALSH of Massachusetts. Mr. President, what the Senator from North Carolina has said confirms the report which has come to me. I am informed that Colonel Hill is really an outstanding personality and a high-class officer. Let me say that not only did he not seek this appointment but regrets very much that any controversy has arisen over it.

Mr. REYNOLDS. I have no personal interest in the nomination whatever, except as an American who is interested in insuring that our country shall obtain the best officer material for its armed forces.

Mr. WALSH of Massachusetts. I thank the Senator from South Dakota [Mr. BUSHFIELD] for stating frankly his observation that he does not question Colonel Hill's fitness. He has made a public contribution in emphasizing the importance of a rigid and impartial method of selecting naval officers. I do not think we can emphasize too strongly the importance of keeping in operation the basic principles of the selective system, and the necessity of promotions being based solely upon merit, fitness, and capacity, and the elimination of favoritism and personal and political influence of any and all kinds.

I wish to repeat that, so far as expressions of views on the selecting systems are concerned, I welcome them on this floor, because they have a repercussion in the Navy Department which cannot be other than helpful and beneficial.

I hope the Senator will not press his motion, in view of what has been said, and in view of the fact that the nomination does not relate to the selective system as such.

Mr. BUSHFIELD. Mr. President, I am exceedingly reluctant not to accept immediately the suggestion of the Senator not to press the motion. I wish to repeat to the Members of the Senate who are present that I do not know Colonel Hill, and never heard of him before his nomination was sent to the Senate. I have no interest in this matter except for the good of the service. So far as the distinguished Senator knows, this nomination was made upon the recommendation of but one man, or possibly two or three men. It was not passed upon by any board, such as the selection board, which has been referred to. The information I have, while not complete, and far from being exhaustive, indicates to me as a layman that there are at least six other colonels on the list who are senior to Colonel Hill, with service records which are at least equal if not superior to that of Colonel Hill, and which should be considered by some board. I do not look at it as does the distinguished Senator from Massachusetts, namely, that to reject the nomination would mean merely the rejection of one officer and asking the President to appoint another. If the Naval Affairs



Committee were satisfied, after looking over the records of all the colonels who are available, that one or more of them had qualifications equal or superior to those of this nominee, and make a recommendation or suggestion to those in authority, it would probably correct this situation.

Colonel Hill is fifty-fourth in line of colonels—by the way, he is not the sixth—and it seems very important from the standpoint of the morale of men who have devoted their lives to the service, and who are precluded from taking part in civilian affairs, or protecting or urging their own promotions or qualifications, that the committee should have an opportunity to go over the service records of at least the six colonels who are senior to Colonel Hill. Much as I regret not being able to accept the suggestion of the distinguished Senator from Massachusetts, I feel that because of the importance of the matter the motion should be pressed.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BUSHFIELD. I yield.

Mr. CLARK of Missouri. Does the Senator feel that promotions in the higher ranks of the Army, Navy, and the Marine Corps should be made entirely on the basis of seniority?

Mr. BUSHFIELD. Not at all. The Senator has misunderstood me entirely. Some years ago Congress passed a law creating a selection board for the purpose of examining into the records of military and naval officers.

Mr. CLARK of Missouri. That was for advancement in rank; not for the selection of officers.

Mr. BUSHFIELD. This nomination is for advancement in rank. It is to advance a colonel to the rank of brigadier general.

Mr. CLARK of Missouri. I understand that, but the board to which the Senator refers was set up for the classification of officers into classes, and the advancement of officers in rank.

I may be mistaken, but it is my recollection that before he was appointed to his present duties, General Marshall, who is now Chief of Staff of the Army, was a brigadier general. He was jumped over the heads of 28 of his seniors because the President, the Secretary of War, and the then Chief of Staff regarded him as the best officer in the Army to take over the task which was about to be imposed upon the Chief of Staff of the Army.

Mr. BUSHFIELD. I do not at all contend against the Senator's statement. I simply feel that other officers have a right to have their records considered and studied. According to my understanding, six colonels have been delegated to the Quartermaster Department. Any one of them is equally qualified with the nominee whom we are now considering. I believe that two or three of them are considerably superior to him in their qualifications. I am interested only in a principle. I am not interested in the matter personally. I do not at all contend, as I have said two or three times, that the rule of seniority should control in this matter. I want the officers to be

promoted, as nearly as possible, completely upon the basis of merit.

Mr. CLARK of Missouri. Mr. President, I am entirely in sympathy with the proposition of the Senator from South Dakota, but this much is true, that Congress is not really equipped to consider the various qualifications of men for high command in the Army and Navy. We either have to accept the nomination by the President of the United States, or turn it down on the ground that the nominee is obviously unfit. I believe that in the past the Presidents of the United States have done very well in their recommendations of officers for high command. I have opposed some of the nominations because I did not happen to approve the personal qualifications of the nominees. But, unless some Senator can raise objection to the particular qualifications of an officer who is suggested for promotion, it does not seem to me to be within the province of the Senate to try to weigh the qualifications of various officers for high command. It seems to me that that is peculiarly within the purview of the Commander in Chief.

Mr. BUSHFIELD. Let me ask the Senator a question, if I may. Let us suppose an extreme case where nominations comparable to this are made of men who are obviously unqualified and who are inferior to other men who are qualified, would the Senator take the same position?

Mr. CLARK of Missouri. Mr. President, I have hitherto opposed the confirmation of the nominations of men whom I considered obviously unfit. I will say that the last time I did so mine was the only vote cast against confirmation; but I have opposed the confirmation of men whom I regarded as unfit. I think that is a function of the Congress; but, as between equally meritorious officers, I think the selection is obviously the business of the President of the United States and that, unless there is some vital objection to the qualifications of an officer, it is not the business of the Senate to consider those questions.

Mr. BUSHFIELD. I think we are pretty much in agreement on that. Mr. President, I suggest the absence of a quorum.

#### ATTITUDE OF AMERICAN FEDERATION OF LABOR ON NATIONAL SERVICE LEGISLATION—NOTICE OF MEETING OF COMMITTEE ON MILITARY AFFAIRS

Mr. REYNOLDS. Mr. President, will the Senator from South Dakota withhold his motion for a moment?

Mr. BUSHFIELD. I withhold it.

Mr. REYNOLDS. As in legislative session, I present and ask to have printed in the RECORD, a telegram from Hon. William Green, president of the American Federation of Labor, dated Miami, Fla., January 19, 1944, embodying a declaration of the American Federation of Labor relative to its position regarding the National Service Act of 1944, which the Military Affairs Committee has now under consideration. At this time I should like to state for the benefit of members of the committee present and the Sen-

ators who are not members that Wednesday last we had with us the Secretary of War, Mr. Stimson, and that, not having completed his testimony or his examination by some of the members of the committee, he was requested to return and appear before the committee with Judge Patterson, his assistant, next Monday morning. That meeting will be held in Room 335 of the Senate Office Building.

There being no objection, the telegram presented by Mr. REYNOLDS was ordered to be printed in the RECORD, as follows:

MIAMI, FLA., January 19, 1944

HON. ROBERT R. REYNOLDS,  
Senate Military Affairs Committee,  
Washington, D. C.:

The executive council of the American Federation of Labor now meeting at Miami, Fla., expressed its opposition to the enactment of a National Service Act through the adoption of the following declaration:

"The American Federation of Labor has consistently supported every sound measure designed to win the war in the shortest possible time. Unlike other groups whose opposition to nazism and fascism is of recent and belated origin, the American Federation of Labor from the very beginning vigorously and uncompromisingly denounced totalitarian dictatorship and recognized its basic hostility to democracy. Labor's war against Nazi and Japanese aggression was declared long before Pearl Harbor, and it has been carried on unrelentingly ever since.

"Because speedy victory is its No. 1 objective, the American Federation of Labor has voluntarily submitted to various wartime controls and considerable Government regimentation of vital matters normally left to the sphere of economic determination and collective bargaining—such as terms of employment, working conditions, and wages.

"The one thing the American Federation of Labor has not surrendered and never will surrender is the basic freedom of American workers. Fundamentally, this is a war between freedom and slavery, a war of free workers against slave workers. We believe that in freedom there is strength. The amazing speed with which free American workers have won the battle of war production against the enemy within 2 years upholds the truth of that principle.

"It is now proposed to substitute compulsory labor for our traditional system of free labor through the enactment of a national service law.

"The executive council has given calm and careful consideration to this proposal. We are convinced that it is based on a mistaken premise—the premise that a National Service Act, which would introduce compulsory labor in America, would prevent strikes.

"The experience of other countries—notably Great Britain—proves that a national service law does not prevent strikes. There have been more strikes proportionately in Great Britain in the past 2 years than in the United States. The laws of nature are superior to the laws of man. It is a law of nature that human beings will rebel against injustice. No man-made law will prevent strikes so long as the unjust conditions which provoke strikes are allowed to remain in force. The way to end strikes is to give workers fair play.

"The record shows that the great majority of American workers has remained steadfastly on the job since Pearl Harbor. Are we to punish them and jeopardize the splendid production achievements they have made just because a small minority has proved less dependable?

"Only 2 months ago, the leading representatives of American industry, agriculture, and labor joined in a unanimous declaration that

the Nation's manpower problems can best be solved by voluntary cooperation and that a National Service Act would only obstruct the war-production program. Can we afford to reject this practical counsel and venture into dangerous fields of experimentation at this critical moment in the war effort?

"The executive council firmly believes that the war-production program is progressing far better than anyone could have dared to hope 2 years ago, and should not be upset by radical innovations at this late date.

"We recommend the officers and members of the American Federation of Labor for promptly and vigorously expressing opposition to the proposal for a National Service Act.

"The executive council appeals to Congress to defeat this unnecessary and unwise legislative proposal."

By direction of the executive council:

THE AMERICAN FEDERATION OF LABOR,  
WILLIAM GREEN, *President*,  
GEORGE MEANY, *Secretary-Treasurer*.

#### THE MARINE CORPS—NOMINATION OF COL. WILLIAM P. T. HILL

The Senate resumed the consideration of the nomination of Col. William P. T. Hill, to be quartermaster of the Marine Corps with the rank of brigadier general. Mr. BUSHFIELD. Mr. President, I withdraw my request for a call of the roll.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Dakota [Mr. BUSHFIELD] that the nomination be re-committed to the Committee on Naval Affairs for further study.

The motion was not agreed to.

The PRESIDING OFFICER. The question now is, Will the Senate advise and consent to the nomination of Col. William P. T. Hill to be quartermaster of the Marine Corps, with the rank of brigadier general?

Mr. WALSH of Massachusetts. I move that the nomination be confirmed.

The PRESIDING OFFICER. The question is on the motion of the Senator from Massachusetts.

The motion was agreed to.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MESSAGE FROM THE HOUSE

As in legislative session,

A message from the House of Representatives, by Mr. Taylor, its enrolling clerk, announced that the House insisted upon its amendment to the bill (S. 1543) to provide for mustering-out payments to members of the armed forces, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAY, Mr. THOMASON, Mr. MERRITT, Mr. COSTELLO, Mr. SHORT, Mr. ARENDS, and Mr. ELSTON of Ohio were appointed managers on the part of the House at the conference.

#### RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 3 o'clock and 5 minutes p. m.) the Senate

took a recess until tomorrow, Friday, January 21, 1944, at 11 o'clock a. m.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate January 20 (legislative day of January 11), 1944:

##### FEDERAL RESERVE SYSTEM

###### BOARD OF GOVERNORS

Marriner S. Eccles to be a member of the Board of Governors of the Federal Reserve System.

##### RECONSTRUCTION FINANCE CORPORATION

TO BE MEMBERS OF THE BOARD OF DIRECTORS OF THE RECONSTRUCTION FINANCE CORPORATION

Charles T. Fisher, Jr. Howard J. Klossner  
Charles B. Henderson Henry A. Mulligan  
Sam Husbands

##### IN THE MARINE CORPS

Col. William P. T. Hill to be The Quartermaster of the Marine Corps, with the rank of brigadier general.

##### POSTMASTERS

###### ARIZONA

Juanita I. McEwen, Whiteriver.

###### HAWAII

Francis K. C. Foo, Kailua.

###### IOWA

W. Forrest McGregor, Corning.  
A. Woodruff Moore, Onawa.  
Hermann Onken, Tipton.  
Mildred L. Thoreen, University Park.

###### MAINE

Verna G. Clark, Albion.  
Lester G. Sands, Bar Mills.  
Katherine C. Duntley, Casco.

###### MISSOURI

Gorda L. Preston, Stockton.

###### MONTANA

David R. Bowen, Worden.

###### NEW HAMPSHIRE

Harland L. Goodhue, Bristol.  
Edward Reilly, Dover.  
Walter E. French, Dublin.  
Julia W. Blair, Fitzwilliam.  
John F. Cronin, Lebanon.  
George G. Helsing, New Ipswich.  
Ralph E. Avery, West Campton.  
Carroll N. Young, West Stewartstown.

###### PUERTO RICO

Angel Socorro, Caguas.  
Thomas S. Gutierrez, San Sebastian.

###### SOUTH DAKOTA

Clarence R. Dregseth, Baltic.  
Alton B. Nelson, Toronto.

###### TENNESSEE

Mattie Ida O'Brien, Christiana.  
Harry B. Gillespie, Limestone.

## HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 20, 1944

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. McCORMACK.

The SPEAKER pro tempore. The Clerk will read an announcement.

The Clerk read as follows:

JANUARY 20, 1944.

I hereby designate Hon. JOHN W. McCORMACK to act as Speaker pro tempore today.

SAM RAYBURN,

Speaker.

The SPEAKER pro tempore. The Chaplain will offer prayer.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

For our country, for our homes, for the joy of hearts that love, for the privilege to fit our lives to the needs of others, and for all that brings us to Thee, blessed be Thy holy name. O Lord most high. With Thy law written in our hearts, may it be so joyous to obey, that we shall grow into the likeness of Him who came to fill the world with happiness and eternal hope.

Thou who dost permit flame and pain, increase the power of our faith in Thee, keeping watch above Thine own. We beseech Thee to defend us against blindness and fear and lift us into the quietness of that peace which is forever unbroken. Dedicated as we are to our country's weal, remove all confusion; strengthen our wills to do our whole duty and thus inspire our people in heart and soul to dissipate all gloomy forebodings. Thou whose mercy endureth forever, whose righteousness is Thy children's defense, whose voice spake in thunders at Sinai and in whispers to Elijah at Horeb, let the footsteps of a tormenting conscience follow the trails of ignorance and vice in this sunken earth. Give a new, glorious outlook for our Nation; let us labor for its larger life and for the vaster life of humanity. We would unveil our spiritual vision, O Lord, and behold the spirit of our Master resting in mutual service to mankind, rising to a nobler and a diviner civilization. In the name of Jesus Christ, our Lord, the light of the world. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 470. An act to implement article 28 of the convention signed at Geneva on July 27, 1929, relating to the use of the coat of arms of the Swiss Confederation for commercial or other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 184. An act to provide for the presentation of silver medals to certain members of the Peary Polar Expedition of 1908-09.

#### EXTENSION OF REMARKS

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to insert in the RECORD an editorial from the Philadelphia Inquirer of yesterday.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. VORYS of Ohio. Mr. Speaker, I ask unanimous consent to insert in the RECORD in the remarks which I shall make in Committee of the Whole this afternoon certain tables.